

homes of America to the hospitals. Instead, it will remove the economic barrier to needed hospitalization so that medical necessity can govern whether a person will enter a hospital.

Now the task of providing the aged citizens of our country with some protection against the burden of high medical expenses is obviously an immense one. It cannot be solved with a single stroke of the pen, or with empty promises. There is no panacea. After much study in both Houses of the Congress, a way was proposed by which we could begin to meet this problem. It seemed reasonable to approach this problem as, 25 years ago, we approached the problem of providing some income security to the aged citizens of that generation. The earliest pensions under social security were, indeed, modest ones but they provided the sound basis on which a social security program which provides a real measure of dignity in old age has been built.

The Forand bill, by covering all those eligible for social security, covers the

vast bulk of the aged. Social security beneficiaries as a proportion of the total population are continually increasing. Once this large group is provided for, it is a simple matter to extend coverage to those outside the system as, for example, one of the Senate versions of the Forand bill—S. 3503—of which I am a co-sponsor, already does. No one has come up with any suggestion which would provide benefits to as many people as would the social security approach.

Expenses for hospitalization are by far the largest single item of health care costs for the aged. There is no better place to start attacking the problem than by providing for financing of institutional care.

The administration decided on a different approach. Instead of advancing a modest workable program, such as those contained in the Forand, Kennedy, McNamara, or Anderson bills, the administration took it upon itself to promise the American people "the works," in the hope that the fact that it could not deliver the goods would somehow be obscured.

In contrast, no one claimed that the Forand bill would solve the problem of protecting all of America's aged from all their medical bills, but it does provide a firm foundation on which we can build in the future.

We are proud that we have proceeded responsibly to meet this vast problem. We are proud that we are proceeding in a great tradition. Just 25 years ago, when the Congress passed the original social security Act, President Roosevelt used these words as he signed that bill into law:

We can never insure 100 percent of the population against 100 percent of the hazards and vicissitudes of life, but we have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age. This law, too, represents a cornerstone in a structure which is being built but is by no means complete.

President Roosevelt understood that these problems could be met, one solid and constructive step at a time. He did not feel it necessary to promise the people everything, while delivering nothing.

SENATE

SATURDAY, AUGUST 20, 1960

(Legislative day of Friday, August 19, 1960)

The Senate met at 10:30 o'clock a.m., on the expiration of a recess, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Most merciful God, who art the fountain of all grace, the source of all wisdom and goodness, we would lift our eyes to the infinite blue of Thy love which arches each new day.

Thou hast called us whose lives so swiftly ebb away, to labor with Thee in the unfolding purpose of the ages. Accepting with humility the call of destiny to be the center and leader of a new world of freedom, quicken our love of America that we may see the shining glory of the Republic both as a heritage and a trust. Against all odds and evil opposition may we keep our passion for freedom, our delight in friendship, our quest for new knowledge, our hatred of falsehood, and our intolerance for that which degrades human personality.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 19, 1960, was dispensed with.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule there will be the usual morning hour. I ask unanimous

consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

REDUCTION OF NATIONAL DEBT—RESOLUTION

Mr. WILEY. Mr. President, I present, for appropriate reference, a resolution adopted by the board of directors of the Iowa County, Wis., Farm Bureau, favoring a 2-percent annual reduction of the national debt. I ask unanimous consent to have the resolution printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

"Whereas the debt of the Federal Government has reached tremendous proportions, and

"Whereas little or no effort is being made to reduce this debt, and

"Whereas it is vital to the financial security of the country that the debt be paid: Now, therefore, be it

"Resolved, That the Iowa County Farm Bureau board of directors go on record favoring a 2-percent annual reduction of the national debt, based on greater efficiency in Government operations rather than on an increase in the annual budget; and be it further

"Resolved, That copies of this resolution be sent to Senators ALEXANDER WILEY and WILLIAM PROXMIRE, Congressman GARDNER WITHEROW, and all county boards of supervisors of Wisconsin; also all Wisconsin Farm Bureau boards of directors."

Iowa County Farm Bureau Board of Directors: Donald Peterson, President, Roy Anding, M. L. Arneson, Blaine Price, John Zemlicka, Clifford Wedlake, Robert Masters, Robert Mueller, Ed Tonkin, Harley Rundhaug, Erick Fessell, Gaius Davis, Andrew Leuthold, Reuben Kritz.

I, John W. Zemlicka, secretary of the Iowa County Farm Bureau, do certify that the

above resolution was passed unanimously by the Iowa County Farm Bureau board of directors at a regularly held meeting August 12, 1960.

JOHN W. ZEMLICKA.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mrs. SMITH, from the Committee on Armed Services, without amendment:

S. 3800. A bill to provide a method for regulating and fixing wage rates for employees of Portsmouth, N.H., Naval Shipyard (Rept. No. 1858).

By Mrs. SMITH, from the Committee on Armed Services, with amendments:

S. 3299. A bill to provide for the conveyance to the State of Maine of certain lands located in such State (Rept. No. 1860).

By Mr. CANNON, from the Committee on Armed Services, without amendment:

S. 3269. A bill authorizing the Secretary of the Navy to convey certain property to the State of Hawaii (Rept. No. 1859).

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. SALTONSTALL, from the Committee on Armed Services:

Charles H. Cox, for temporary appointment to the grade of brigadier general in the Marine Corps Reserve.

Mr. THURMOND. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nominations of 36 flag and general officers in the Army, Navy, Air Force, and Marine Corps, and ask that these names be placed on the Executive Calendar.

The VICE PRESIDENT. Without objection, the nominations will be placed on the Executive Calendar, as requested by the Senator from South Carolina.

The nominations are as follows:

Brig. Gen. Chester Arthur Dahlen, Army of the United States (colonel, U.S. Army), and sundry other officers, for temporary appointment in the Army of the United States;

Col. Maurice C. Harlan, Regular Air Force, Dental, for appointment to the temporary grade of brigadier general in the U.S. Air Force;

Alpha L. Bowser, and sundry other officers, for temporary appointment to the grade of major general in the Marine Corps;

Rathvon M. Tompkins, and sundry other officers, for temporary appointment to the grade of brigadier general in the Marine Corps;

Rear Adm. Elton W. Grenfell, U.S. Navy, for commands and other duties determined by the President, in the grade of vice admiral;

Lt. Gen. Edward Thomas Williams, Army of the United States (major general, U.S. Army), to be placed on the retired list in the grade of lieutenant general; and

Col. Bruce Edward Kendall, Army of the United States (lieutenant colonel, U.S. Army), and several other officers, for temporary appointment in the Army of the United States in the grade of brigadier general.

Mr. THURMOND. Mr. President, in addition, I report favorably the names of 3,569 officers in the Army, Air Force, and Marine Corps, in the grade of colonel and below. All of these names have already appeared in the CONGRESSIONAL RECORD. In order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk, for the information of any Senator.

The VICE PRESIDENT. Without objection, the nominations will lie on the desk, as requested by the Senator from South Carolina.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAVEZ:

S. 3870. A bill for the relief of Mr. and Mrs. Harley Brewer; to the Committee on the Judiciary.

By Mr. KERR (for himself and Mr. MONROE):

S. 3871. A bill to amend section 2 of the act of April 12, 1926 (44 Stat. 239), entitled "An act to amend section 9 of the act of May 27, 1908 (Thirty-fifth Statutes at Large, page 312), and for putting in force, in reference to suits involving Indian titles, the statutes of limitation of the State of Oklahoma, and providing for the United States to join in certain actions, and for making judgments binding on all parties, and for other purposes"; to the Committee on Interior and Insular Affairs.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Statement, prepared by him, relating to the establishment of price supports for dairy products.

ORDER FOR ADJOURNMENT UNTIL MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it will stand in adjournment until 10 o'clock a.m. on Monday.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

PRICE-SUPPORT LEVEL FOR MILK AND BUTTERFAT—S. 2917

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, as the Senate knows, yesterday Senate bill 2917, a measure to establish a price-support level for milk and butterfat, was passed. The sponsors were bipartisan in their support of this particular measure, which will mean a great deal to the milk producers not only in Wisconsin, in which the principal author of the measure, the junior Senator from Wisconsin [Mr. PROXMIER] lives, but also in the neighboring State of Minnesota, and elsewhere.

I call this fact to the attention of the Senate because previous to the introduction of this particular bill the principal exponent of a measure of this type had been the distinguished senior Senator from Minnesota [Mr. HUMPHREY], who, of course, has been known for his vigorous and active support not only toward the milk-producing segment of our farm economy, but to all segments of our agricultural economy.

I wish to commend all of those who joined in sponsoring this bill, which, by the way, includes the junior Senator from Massachusetts [Mr. KENNEDY] and the senior Senator from Vermont [Mr. AIKEN], but to pay a special tribute at this time to the senior Senator from Minnesota [Mr. HUMPHREY] for the consistent interest and the fine work he has done in this field down through the years.

HUMPHREY FOOD FOR PEACE PLAN

Mr. MANSFIELD. Mr. President, I should like to call to the attention of the Senate that the Senator from Minnesota [Mr. HUMPHREY] is the author of the food for peace plan. I ask unanimous consent that there be printed in the RECORD at this point in my remarks an editorial from the Great Falls, Mont., Tribune for August 17, 1960.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Great Falls (Mont.) Tribune, Aug. 17, 1960]

HUMPHREY TO NIXON

A gigantic new giveaway plan to distribute America's food surpluses through the United

Nations to help feed the hungry of the world is being developed by the Eisenhower administration.

President Eisenhower had planned to present this idea to the Big Four meeting in Paris last May. When Russian Chairman Nikita Khrushchev blew up the summit, the plan was set back.

The next heard of it was in a U.S. farm policy speech Vice President Nixon made at a Republican rally in Minot, N. Dak., June 20.

The Nixon speech was primarily a general preview of his own farm policy ideas. That got the most news attention.

Nixon also revealed, however, that he, Undersecretary of State C. Douglas Dillon, U.N. Ambassador Henry Cabot Lodge, and the White House food for peace coordinator, Don Paarlberg, had devised this plan for helping to feed the world's hungry.

The idea of doing this through the United Nations instead of through the Big Four is the new wrinkle intended to salvage the plan. But the big bulk would come from the United States.

One curious angle on this Eisenhower-Nixon plan is that Congress has had before it for more than a year a Democratic food for peace plan on which action has been stalled.

This was primarily the brain child of Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, who has been talking about using America's food surpluses as a force for freedom since 1957.

In a St. Paul speech, December 9, 1958, HUMPHREY said, "My goal is to use food for peace . . . to fulfill the Biblical mandate to feed the hungry and heal the sick." A month later, the phrase "food for peace" appeared in President Eisenhower's state of the Union message to Congress, but it was not followed up.

The next April HUMPHREY incorporated his ideas in an international food for peace bill. Fourteen Democratic Senators and Senator FRANK CARLSON, Republican, of Kansas, joined HUMPHREY as cosponsors.

The bill was revised and reported out by the Senate Foreign Relations Committee in August 1959, after the Eisenhower administration's State, Agriculture, and International Cooperation Administration officials testified they did not want a long-term program.

Mr. MANSFIELD. The résumé given in the editorial shows that since 1957 the Senator from Minnesota has been vitally interested in this particular proposal. It is hoped that at long last something will be done to use our surpluses to feed the hungry and take care of the sick, and in that way bring about an alleviation of a situation in which too many people in the world find themselves because of a lack of proper or sufficient diet.

Once again, in a vital field, Senator HUMPHREY has shown himself to be a dedicated, a farsighted, and a humanitarian leader.

LEGISLATIVE ACCOMPLISHMENTS OF THE SENATE IN THE PRESENT SESSION

Mr. JOHNSON of Texas. Mr. President, since we assembled a little more than 10 days ago, much has been written and much more has been said about the work of the Senate. The most effective answer to those who would besmirch the reputation of this great body lies in the results which we have obtained through the orderliness and speed with which

the public business which we returned to Washington to transact has been completed.

The Senate has not only legislated with care and expedition, but I remind the country that since we returned to Washington we have approved four treaties, one the very important and controversial Antarctic Treaty.

We have passed the \$4 billion public works bill, which has important implications for safeguarding the future of America.

We have passed the minimum wage bill, which could affect the lives of some 23 million people now covered by existing legislation, and which will help to improve the lives of some 4 million additional people.

We have passed a bill which is very important to our own defense system, and our own small lead and zinc producers, and which will stabilize conditions in those industries.

As the majority whip has said, we have passed the Proxmire bill, which will establish a price support level for the milk producers of this Nation and have an effect on the economy of many of the States of the Union.

We have approved the recently submitted \$500 million authorization to assist our Latin American neighbors, and a \$100 million authorization to aid in the reconstruction of devastated Chile.

We have passed a measure to increase the President's mutual security contingent fund by \$100 million.

We have had reported the mutual security bill, and the bill and the report are now available to any Senator who cares to look at them. It is Calendar No. 1921. The bill is under the budget request for appropriations by \$292,650,000 although, compared with the House, the bill represents an increase of \$399 million.

We have with fairness and care held extended hearings on H.R. 12580, the bill which is on the desk of each Senator this morning, thanks to the very efficient work and the "can do" attitude of the printing clerk and the Printing Office. It

is a medical aid and social security bill which will vitally affect medical care for the aged and which holds forth some hope for our senior citizens who are shadowed by the threat of illness.

This is a record in which all Senators can take pride regardless of which party they belong to. It is a record which the employees of the Senate have helped us to produce, and for their devotion and diligence I express my gratitude.

The Senate has made good use of its time. We have acted with care and expedition. Although we have had some extended speeches on extraneous subjects, and many recommendations in connection with legislative proposals before us and some not before us, we have demonstrated, I believe, that we can produce results in 10 days. The Senate has made it clear that we have come back to Washington to do the job we left when we recessed for the conventions. We are on our way to complete that work.

Mr. JOHNSON of Texas subsequently said: Mr. President, I ask unanimous consent that following my brief statement this morning, with regard to the first 10 or 11 days of this session, there be printed in the RECORD a list of the treaties, together with the bills, on which the Senate has acted thus far. It is a compilation or box score.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

BILLS AND TREATIES APPROVED BY THE SENATE DURING THE FIRST 2 WEEKS OF THE SESSION THAT RESUMED AUGUST 8, 1960

During the first 11 days of the current session, the Senate has approved four treaties and passed six bills.

TREATIES

Antarctic Treaty, approved 66 to 21, assures that the Antarctic Continent and surrounding areas will be used exclusively for peaceful purposes, that freedom of scientific investigation will be maintained and freezes existing territorial claims and rights in the Antarctic.

Convention of Paris for the Protection of Industrial Property, approved unanimously.

95 to 0, provides for international protection of patents, utility models, industrial designs, trademarks, service marks, and trade names.

Treaty of Friendship and Commerce Between United States and Pakistan, approved 94 to 1, provides broadened opportunity for American individuals and businesses abroad to conduct their affairs in a more effective manner.

Convention of Establishment Between United States and France, approved 94 to 1, provides broadened opportunity for American individuals and businesses abroad to conduct their affairs in a more effective manner.

BILLS

Public works appropriations, approved unanimously, 86 to 0, provides \$4,030 million for public works projects, flood control and resources conservation and development.

Amendment to the Fair Labor Standards Act (minimum wage bill), approved 62 to 34, provides for increasing minimum wage from \$1.00 to \$1.25 over a 3-year period, and extends minimum wage coverage to over 4 million additional employees.

Stabilization of mining of lead and zinc on public, Indian and other lands, approved 59 to 28, provides for stabilizing the mining of lead and zinc by small producers in the United States.

Milk price supports, approved unanimously without a record vote, establishes price-support levels for milk and butterfat through March 31, 1961, in order to prevent dairy prices from going lower than the market.

Aid to Latin America, approved 54 to 19, authorizes \$500 million for assistance in the development of Latin America and \$100 million for aid in the reconstruction of Chile.

Mutual security contingency fund, approved 59 to 14, provides an increased authorization of \$100 million for the President's mutual security contingency fund for fiscal year 1961 to meet emergency needs in Africa and other areas of the world.

Mr. JOHNSON of Texas. I also ask unanimous consent to insert in the RECORD a list of the appropriation bills that have been acted upon thus far, including the budget estimate, the final amount, and the increase or decrease in the appropriation bills as compared with the budget.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TABLE I.—Table on appropriation bills, 86th Cong., 2d sess., as of Aug. 20, 1960

	Budget estimate	Final amount	Increase (+) or decrease (—)
1960 appropriations:			
NASA supplemental	\$23,079,000	\$23,079,000	—
2d supplemental	1,018,504,888	955,370,003	—\$63,134,885
Labor supplemental	8,000,000	6,000,000	—2,000,000
1961 appropriations, bills completed:			
District of Columbia (Federal payment)	34,553,000	27,533,000	—7,000,000
Commerce	799,615,000	729,624,875	—69,990,625
Interior	550,330,300	557,067,500	+7,337,300
Treasury-Post Office	4,897,853,000	4,841,914,000	—55,939,000
General Government matters	14,627,500	14,207,500	—420,000
Independent offices	8,417,397,000	8,311,893,400	—105,503,600
Defense	39,335,000,000	39,996,008,000	+661,008,000
Agriculture	4,135,263,190	3,994,097,600	—141,165,590
Military construction	1,188,000,000	994,855,000	—193,145,000
Legislative	133,413,485	129,470,410	—3,943,075
Supplemental	169,327,840	138,293,740	—31,034,100
Subtotal on bills completed	60,724,944,203	60,720,613,628	—4,330,575
1961 bills pending:			
Labor-HEW	\$4,020,221,981	\$4,334,905,831	+\$314,683,850
Mutual security	4,281,704,000	2,989,054,000	—1,292,650,000
State-Justice-Judiciary	733,030,395	1,697,416,977	+964,386,582
Public works	4,004,141,180	3,972,404,795	—31,736,385
Subtotal on bills pending	13,039,097,556	12,993,781,603	—45,315,953
Grand total	73,764,041,759	73,714,395,231	—49,646,528

¹ Amount includes 1/2 of Senate increase over House bill.

² Amount as reported to the Senate.

TABLE II.—Table on appropriation bills, 86th Cong., 2d sess., as of Aug. 20, 1960

	Budget estimate	Final amount	Increase (+) or decrease (—)
1960 appropriations:			
NASA supplemental.....	\$23,079,000	\$23,079,000	—
2d supplemental.....	1,018,504,888	955,370,003	—\$63,134,885
Labor supplemental.....	8,000,000	6,000,000	—2,000,000
1961 appropriations, bills completed:			
District of Columbia (Federal payment).....	34,533,000	27,533,000	—7,000,000
Commerce.....	799,615,000	729,624,375	—69,990,625
Interior.....	550,330,300	557,667,600	+7,337,300
Treasury-Post Office.....	4,897,853,000	4,841,914,000	—55,939,000
General Government matters.....	14,627,500	14,207,500	—420,000
Independent offices.....	8,417,397,000	8,311,893,400	—105,503,600
Defense.....	39,335,000,000	39,996,608,000	+661,608,000
Agriculture.....	4,135,263,190	3,994,097,600	—141,165,590
Military construction.....	1,188,000,000	994,855,000	—193,145,000
Legislative.....	133,413,485	129,470,410	—3,943,075
Supplemental.....	169,327,840	138,293,740	—31,034,100
Subtotal on bills completed.....	60,724,944,203	60,720,613,628	—4,330,575
1961 bills pending:			
Labor-HEW.....	4,020,221,981	¹ 4,485,788,932	+465,566,950
Mutual security.....	4,281,704,000	² 3,989,054,000	—292,650,000
State-Justice-Judiciary.....	733,030,395	¹ 718,269,147	—14,761,248
Public works.....	4,004,141,180	¹ 4,030,010,605	+25,869,425
Subtotal on bills pending.....	13,039,097,556	13,223,122,683	+184,025,127
Grand total.....	73,764,041,759	7,943,736,311	+179,694,552

¹ Amount is the figure as passed Senate.² Amount is the figure reported to Senate.

ORDER OF BUSINESS

Mr. JAVITS. Mr. President—
The PRESIDING OFFICER (Mr. KEATING in the chair). The Senator from New York.

Mr. JAVITS. Does the Senator from Wisconsin wish to make an insertion in the RECORD?

Mr. PROXMIRE. I understood that we were in the morning hour.

Mr. JOHNSON of Texas. The Senator from New York can be recognized for 3 minutes, unless he wishes to parcel out the time to other Senators. Otherwise we can complete the morning hour.

Mr. JAVITS. I seek no recognition at this time.

HUNGARIAN PEOPLE AND ST. STEPHEN ARE HONORED ON AUGUST 20

Mr. PROXMIRE. Mr. President in the annals of the Hungarian people their first great King and patron saint, Stephen I, occupies a prominent place. It was he who founded the Hungarian state at the beginning of the 11th century. Receiving his crown from Pope Sylvester II in the year 1001, he worked effectively to spread the Christian belief among the many pagan groups who lived in the country. Through his great wisdom and political skill he succeeded in welding these often dissident groups into a single nation, and accomplished the even greater feat of winning their love and loyalty.

The great St. Stephen provides us with an example that is not irrelevant to modern times. For while he was extending the sovereignty of his crown over differing groups, he practised tolerance and allowed them to maintain their own ways of life, even where these differed radically from the patterns which he might have preferred. In this one can see a classic case of union through diversity.

Like the United States, the motto of medieval Hungary under St. Stephen might have been "E Pluribus Unum"—"Out of many, one."

Today, August 20, Hungarian people all over the world honor the memory of this great king, the noted champion of freedom and free institutions. The heroism of Hungarians in the revolution of the fall of 1956 is a more recent and vivid talisman of the devotion of these people to the cause of liberty. Those who rose up against the alien ideology that enslaved them were acting in the great tradition first established by Stephen I. It is fitting, therefore, that today, St. Stephen's day, we honor both the memory of a noble saint and the heroic fight of the Hungarian people for freedom.

MEDICAL ASSISTANCE FOR THE AGED

Mr. PROXMIRE. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from an elderly Wisconsin resident who recognizes the very serious need for health insurance, but deeply resents the necessity for taking a pauper's oath in order to qualify for it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR SENATOR: I am disgusted. How can some members of the Finance Committee ask that a person needing medical assistance "pauperize" himself before help can be granted.

For your information, I had \$5,200 equity on my former home, but now I only have an equity of \$4,000. I had to sacrifice my former home in order to pay my bills.

But if the State will have to help pay my hospital bills, I will be forced to declare myself a pauper or else I won't receive any assistance.

Of course a lot of people are able to pay their own way, but if they can get something for nothing, they try to, which makes it kind of hard on people who need help.

CAPITAL TIMES AND MILWAUKEE JOURNAL, CHAMPIONS OF INTERNATIONAL COOPERATION, OPPOSE \$600 MILLION BLANK CHECK FOR SOUTH AMERICA

Mr. PROXMIRE. Mr. President, the Capital Times, of Madison, has been a crusader for justice, humanity, and generosity in our dealing with foreign countries for more than 40 years. It has enthusiastically championed many of this country's foreign aid proposals, although in doing so it has had to contradict the well-known isolationism of Wisconsin.

As a frontline fighter for foreign aid I think its criticism of the President's request for a \$600 million blank-check authorization bill, which the Senate passed last night by a 54 to 19 vote, deserves attention. Of course, the horse has been stolen on that proposal, and there is little use in locking this particular barn door.

But, Mr. President, the warning of this newspaper with its strong, humane, internationalist sentiments on the foolishness of trying to spend our way out of trouble should be heard and pondered by the Senate.

I ask unanimous consent that an editorial from this paper be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CAN WE SPEND OUR WAY OUT OF TROUBLE IN LATIN AMERICA?

With no dissenting votes the Senate Foreign Relations Committee has voted to approve President Eisenhower's request for \$600 million to carry on an economic development program in Latin America.

This may well be a classic case of locking the barn door after the horse has been stolen. It is altogether typical of the attitude that prevails in Washington—that we can buy our way out of the troubles into which our neglect and bumbling take us.

For almost 8 years the Eisenhower administration has been indifferent toward the worsening situation in Latin America, allowing the good will built up by the good-neighbor policy of Roosevelt to be dissipated.

The late Secretary of State Dulles was not interested in Latin America and, since he was the foreign policy of the administration, no one else was. There were a few voices who spoke up occasionally, such as Nelson Rockefeller, but they were regarded with about as much seriousness as the sandwich man carrying a "Repent" sign outside a Las Vegas saloon.

Meanwhile, we were cavorting with the dictators in Latin America, earning the increased distrust of the people. Whatever policy we did have was to shore up these tyrants.

Then came Castro and our troubles with him and the administration suddenly discovered our neighbors to the south. Washington is scared and when it gets scared it instinctively starts to spend money.

We are not going to fool the Latin Americans by this sudden decision to buy some good will. We are not even fooling ourselves for the President's bill is already being referred to around Washington as the Castro bill.

There is need of a broad program of rebuilding the good neighbor policy—a program in which this country provides financial help but in which the Latin American countries participate in the policymaking.

The sad fact is that it may be too late.

Mr. PROXMIRE. Mr. President, earlier this week I had printed in the *Record* an editorial from the *Milwaukee Journal* which has a very long and consistent record of championing international cooperation and of generous assistance to foreign countries, even at the cost of great financial sacrifice abroad. For the first time in a long, long time, the *Milwaukee Journal* spoke out against a major, comprehensive foreign aid proposal. It asked the Senate not to approve the South American blank check we figuratively signed last night. The *Milwaukee Journal* opposed the South American authorization on the grounds that the Congress should exercise prudent judgment, that it should insist on a study of the facts—at least some facts—before making an authorization for the expenditure of such an immense amount of the taxpayers' money.

Mr. President, when newspapers like the *Madison Capital Times* and the *Milwaukee Journal*, firm and established friends of international cooperation, protest and oppose this kind of program, I think it is time that the greatest deliberative body in the world take a long, careful, hard look at the proposal. The price of this unfortunate bobtailed session is that we are rushing through legislation—short circuiting the vital authorization process, limiting debate to meet a temporary, ad hoc diplomatic situation that confronts the Secretary of State. We act without knowing what we are authorizing this huge amount of money for, without any details or even illustrative material.

In doing so we insult our own senatorial intelligence by authorizing the spending of hundreds of millions of dollars without insisting on a full explanation of the merits of the specific projects.

Mr. President, I ask unanimous consent that I may speak for 2 additional minutes.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. I should like to call to the attention of the Senator the fact that the arguments which he expounded last night and which he is repeating this morning are all very meritorious and have all been given consideration by the Committee on Foreign Relations. The Senate owes a debt of gratitude to the chairman of that committee, the Senator from Arkansas [Mr. FULBRIGHT], for the great perception he showed before having the bill reported, in putting into the bill guidelines to help the administration formulate a policy. He also made it mandatory that the authorization would be not to the President who could expend the funds with a great deal of unlimited freedom, but to the Secretary of State, who, of course, would be responsible to the appropriate legislative committees. The bill also provides that before anything can be done, the policies and the plans must be laid before the Committee on Foreign Relations and the Committee on Foreign Affairs of Congress for their consideration.

I would say that when that bill is considered and understood in its entirety, despite the trepidations that some may feel about it, and rightly so, the bill, under the chairmanship of the Senator from Arkansas, represents a good, steady job in laying the groundwork for the kind of program which I know the Senator from Wisconsin is interested in, and which he has approved of consistently in advocating down through the years.

This is only an appropriation. No money will be spent until forms, policies, programs, and procedures are laid before the two committees for consideration. So we tried to include in the bill, on a unanimous basis, every conceivable safeguard we could, because many of us, like the Senator from Wisconsin, felt that this program was a little overdue; but so long as it is being done now, it should be done properly. So we tried to include the necessary corrective proposals to make certain that it will be.

Mr. PROXMIRE. Mr. President, the distinguished assistant majority leader and the chairman of the Committee on Foreign Relations have made an excellent case for the bill. They have been very honest about it. They have said they are not wholeheartedly in favor of this kind of process; in fact, they do not like it at all. They feel that we have been pushed into a corner and have little choice. They have made a strong case for their position, and I hope they are right. However, I simply wish to emphasize, as strongly as I can, that we are acting, when we act in this way, in a totally unprecedented fashion.

I consulted with Carl Marcy, the outstanding member of the staff of the Committee on Foreign Relations. He said, "This is unprecedented." We have never had this kind of authorization bill in the past. We are breaking new ground and are certainly smashing precedent.

We all know that in the Senate it is not possible to legislate on an appropriation bill. We have to set forth the legislative policy when we authorize spend-

ing. Again and again and again we have been told, "No, you cannot legislate on an appropriation bill. You cannot under our rules determine policy then." Only in the authorization process is there a chance to place restrictions or directions or controls of any kind on spending. Well, for \$600 million on South American aid that chance is now gone. We will now spend it without a policy.

It is true, as the Senator from Montana said so well, that there was an attempt—and a very strong attempt—to solve this difficult problem by requiring the Secretary of State to have control of the money and then by making him come back to the Committee on Foreign Relations and to the House Committee on Foreign Affairs, by requiring the Secretary to lay down some kind of guidelines. But these are extremely vague. We considered those guidelines last night. What they amount to is that it is proposed that the money be spent for health, education, exchanges of visitors, and other fine objectives. However, there was no distinct, clear policy set forth. As the chairman of the Committee on Foreign Relations himself said, there are no real guidelines in this proposed legislation at all.

I realize that this is an emergency situation. With great reluctance, I disagree with my leaders on this question. However, I think a voice should be raised. I recognize, as I have said, that the horse has gone; it is useless to close this particular barn door. Nevertheless, I think it should be made clear that if this kind of procedure is advocated again, at least this Senator will use every parliamentary advantage he can to delay it as well as to oppose it, so as to make certain that we will discharge our fundamental obligation as U.S. Senators—that is to give the most careful and thoughtful consideration before we give our vote.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. JOHNSON of Texas. I think there is great merit in some of the questions raised by the Senator from Montana and the Senator from Wisconsin. I think it is always necessary to seek the best and to do the possible.

For 7 years and 7 months, this administration has been in charge of our foreign policy. Whether it has been successful in that policy, in our dealings with the other nations of this hemisphere, is a matter for the people of the country to judge. However, when the Senate returned to consider the business which was unfinished, business which the House had passed, we were confronted with a recommendation which, once it was made, needed to be acted upon before our country's spokesmen met in conference with our neighbors in the hemisphere. We were confronted with the alternatives of having no plan; of having a limited plan with some guidelines which could be reviewed, reworked, supplemented, and implemented by appropriations; or of saying to those who would speak for us, "We will continue the policy which we have followed, of having no real program of this magnitude."

Confronted with what was before us, and the negative position of no program at all, it was necessary to choose between alternatives.

I do not criticize any Senator who may have questioned the wisdom of the action of the Committee on Foreign Relations. The members of that committee are experts. They are men of high national purpose. They are men of dedication. I know that many Senators would have favored a more lengthy consideration and a more detailed outline of what we anticipated would be done in the hemisphere and what results would flow from it. I assure the Senator from Wisconsin, however, that although I followed the alternative of putting my country first in trying, as I see it—and it is up to each Senator to make his own judgment—to go along with the President in his request, so that his spokesmen would be able to have some support; nevertheless, I have been assured by the Committee on Appropriations, of which I am a member, and the Committee on Foreign Relations, that they will review this program, word by word, step by step, and recommendation by recommendation. They have made that statement to the high officials in the present administration. It will be repeated to the next administration which takes office, and we will make certain that before one red cent is spent, some of the suggestions made by the Senator from Wisconsin and the very great newspapers of which he spoke, the Milwaukee Journal, the Capital Times of Madison, and others, are given serious consideration.

Mr. PROXMIRE. I thank the distinguished Senator from Texas.

Mr. President, I ask unanimous consent that I may have an additional 2 minutes in which to yield to the Senator from Kansas.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CARLSON. Mr. President, I fully understand the concern of the Senator from Wisconsin regarding the proposal which the Senate passed last night to provide aid to Latin America and Central America. As has been said, the members of the Committee on Foreign Relations share that concern. I concur in the remarks just made by the distinguished majority leader.

I want the country and the distinguished Senator from Wisconsin to know that the committee added an amendment to the bill as it came from the administration, to the effect that the reports must be made to the Senate Committee on Foreign Relations and to the House Committee on Foreign Affairs.

I assure the Senator that in view of the feeling in the committee, even though we are greatly concerned about our problems in Latin America, this subject will be restudied. It will be reviewed from every angle before we, as a committee, will approve actions to be taken in the future.

As has been said, the members of the committee had some misgivings about this proposal. But the alternative is, Shall we assist Latin America in this

way, or be faced with the probability of a situation in which we might have to incur defense expenditures that might be far in excess of what we are presently considering in a program to stabilize their economy and to provide good, sound governments?

I appreciate the concern of the Senator from Wisconsin, but I wanted to give him some consolation.

Mr. PROXMIRE. Mr. President, I thank the Senator from Kansas. I do not wish to impose on the time of other Senators, but I should like to have the opportunity to speak for 2 more minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. PROXMIRE. I think the remarks which have been made are excellent statements. I welcome them. They are helpful and reassuring.

The purpose of the authorization is to enable the Secretary of State to attend the Bogotá Conference and make a firm commitment or promise on the assurance of the Senate and the House—on the assurance of Congress. It seems to me that on the basis of the way we handled the Marshall plan, the economic aid program, and other foreign aid programs, our Secretary of State might make a firm promise to any group of countries without Congress authorizing hundreds of millions of dollars to prove he is not lying. This is an honorable as well as a generous country and if the world does not know that now it never will.

When we come back in January, and the requests for appropriations come in, we will have to face the situation which confronts us. We shall be told, and properly so, that we have authorized this legislation, whether we like the specific proposals which come before us or not. We will be committed. So it seems to me that having authorized this vast sum for South America, we shall have to go along with whatever they choose to do simply to redeem our promise.

I yield the floor.

FIRST ANNIVERSARY OF HAWAIIAN STATEHOOD

Mr. LONG of Hawaii. Mr. President, Sunday, August 21, marks the first anniversary of Hawaiian statehood. Just a year ago, the President of the United States signed a proclamation attesting that Hawaii had fulfilled all the conditions required by the Statehood Act; and Hawaii was formally admitted into the Union as the 50th State.

A first anniversary is always an important event—whether it be of a birth, a marriage, graduation, or any other event that has an intimate bearing on human experience.

This first anniversary of the admission of Hawaii as a State is of far-reaching significance to the 645,000 people who make their homes there. The event comes as a recognition of a political fulfillment of a hope that had long been deferred in their lives.

While at times they may have been somewhat irked by the long delays, I am certain that, in retrospect, they now feel

that statehood came in the fullness of time.

This first milestone in the history of our new State makes it appropriate to review the importance of the developments that have taken place.

After looking over the record of the past 12 months, I am pleased to report that Hawaii's transition to statehood has been completed without any great difficulty, that our State government is functioning smoothly.

A special session of the State legislature immediately after attaining statehood, and a regular session between February and April of this year, provided for a reorganization of the government under the provisions of the State constitution.

The numerous and complicated problems that inevitably attend radical changes in government were solved effectively. Happily, State finances have not been an insurmountable problem. The Hawaii treasury has been able to absorb without undue strain the additional cost of running a State government.

I am pleased to assert, Mr. President, that Congress has been fair—even generous—to Hawaii in this year of transition. In the consideration of the Hawaii Omnibus Act, which helped place us on an equal footing with the other States, and in considering our special needs as an offshore area—particularly in relation to securing protection from the tidal wave menace—I have always found the Members of this body to be understanding and helpful. I want to express my appreciation and that of my colleague and the appreciation of the people of Hawaii for this consideration.

This support for bills important to Hawaii has been given not only by Senators who were advocates of statehood, but equally so by those who had been opposed to it. Senators from every section of the Nation have shown themselves to be solicitous of the welfare of the newest State.

The first year of statehood has been significant also in relation to the prosperity of the people of Hawaii. New businesses have been established. Many mainland firms have invested in local industry, or have opened branch offices there.

These companies have doubtless been encouraged to do so by a greater familiarity with our island community, by a feeling that we have come closer to the rest of the American economy by virtue of our being a State. Certainly the enormous publicity given to statehood has been most helpful.

I also think, Mr. President, that the experience of the past year shows that the Nation has benefited from the admission of Hawaii. It has been a disturbing year in the area of international relations, with repeated crises, and, at times, fearful tension.

Against this background, the United States has won new respect and friendship, particularly in the Pacific and in Asia, by admitting to statehood the first offshore area, the first State of the Union to have a majority of non-Caucasian citizens.

By this action, Congress gave incontrovertible evidence of the vitality of American democracy. It has had a tremendous impact on the thinking and the feelings of countless millions of people who are seeking racial understanding and national stability.

When the actions of the 86th Congress are examined in the perspective of history, I am convinced that the granting of statehood to Hawaii, following the admission of Alaska, will be judged one of its most significant pieces of legislation.

The action is symbolic of the new frontiers in human relationships toward which we are marching. It will mark an upswing in the affairs of the American people.

BIRTHDAY CONGRATULATIONS TO SENATOR AIKEN

Mr. WILLIAMS of Delaware. Mr. President, I wish to call attention to the fact that today is the birthday of one of the most distinguished Members of the Senate, the senior Senator from Vermont [Mr. AIKEN].

Few Members of the Senate have a more distinguished record of service to both State and the Nation than does the senior Senator from Vermont.

He began his career as a farmer. In 1933 he was elected Speaker of the House of Representatives of the State of Vermont; and he served his State as Lieutenant Governor in 1935 and as Governor in 1937 and 1939.

He was elected to the U.S. Senate in 1940, and was reelected to the Senate in 1944, 1950, and 1956.

During his period of service in this body there has been no one who has been a more conscientious worker in carrying out his duties as a Senator. In all the Congress there has been no better friend of the American farmer than the senior Senator from Vermont. I have never met a more sincere or dedicated public servant.

I salute him on this, his birthday.

Mr. MANSFIELD. Mr. President, will the Senator from Delaware yield?

The PRESIDING OFFICER (Mr. JORDAN in the chair). Does the Senator from Delaware yield to the Senator from Montana?

Mr. WILLIAMS of Delaware. I yield.

Mr. MANSFIELD. Mr. President, I could not let this occasion pass without joining with the Senator from Delaware and our other colleagues in extending felicitations and congratulations to the distinguished senior Senator from Vermont [Mr. AIKEN].

Senator AIKEN has outstanding integrity, sound common sense, and undoubted ability. He is modest and retiring, but his contributions to the work of the Senate are indeed great.

Mr. President, I am happy that this body has among its Members a man of the great standing and good statesmanship of the Senator from Vermont. His contributions have been many and important. Not only has he done outstandingly important work in the field of agriculture, but he is also one of our real experts in the field of foreign af-

fairs. He had made a solid record, especially in regard to our relationships with Latin America, to the south of us, and with Canada, to the north of us, and, in all truth, with the world in general.

Mr. President, we are indeed fortunate to have Senator AIKEN as a Member of this body; and I wish to express the personal and heartfelt hope that we shall have him as a colleague for many years, even decades, to come, and that the people of Vermont will send him back to us time after time, because he adds honor and luster to this body, dignifies all of us, and makes us feel like brothers. We are all better Senators and people because of our friendship with this warm, kindly, and understanding man.

Mr. WILLIAMS of Delaware. I thank the Senator from Montana.

Mr. KEATING. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. KEATING. Mr. President, I wish to join in this tribute to our colleague, young GEORGE AIKEN.

For a great many years Senator AIKEN has been a tower of strength in this body.

His modesty is considered one of his most outstanding characteristics. I think this is very well illustrated by the biography which he submitted for publication in the Congressional Directory. It states, "Occupation, farmer."

Of course, Senator AIKEN certainly is one of the champions of the agricultural community in this body. However, he might just as well have listed his occupation as "scholar, humanitarian, legislator." There are, in fact, many, many ways in which his service as a Member of this body has been of outstanding importance.

Mr. President, I understand that today a party is to be given in honor of GEORGE AIKEN, and that 30 people have been invited to attend. What is more, each of them is bringing as a gift a red bow tie. One can always tell when Senator AIKEN is around, because of his fine crop of white hair, his smiling countenance, and his red bow tie.

Mr. President, when one gets to know Senator AIKEN, he finds that he represents friendship at its best and its highest.

It is a great tribute to Senator AIKEN that our distinguished colleague, the Senator from Montana [Mr. MANSFIELD], would rise in this Chamber and say that he hopes the people of Vermont will send Senator AIKEN back to the Senate again and again.

GEORGE AIKEN is not a narrow partisan. He votes, thinks, and speaks his convictions. He is a great American, and I hope we shall have the privilege of celebrating his birthday for many, many years to come.

Mr. WILLIAMS of Delaware. I thank the Senator from New York.

Mr. CARLSON. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. CARLSON. Mr. President, I wish to join my colleagues on the floor of the Senate, this morning, in extending congratulations and best wishes on the birthday anniversary of our very fine

colleague, the senior Senator from Vermont [Mr. AIKEN].

I think possibly Senator AIKEN and I have been drawn very close together because of the fact that both of us are farmers. He is one Member of the Senate who is recognized as one of the great agricultural authorities of the Nation.

Coming, as I do, from the great Middle West, where there are many agricultural problems, I have greatly enjoyed conferring with Senator AIKEN about those problems, and have secured from him much help in relation to matters in that field.

The Nation is indebted to Senator AIKEN for his great interest in agriculture and its problems. I think the co-operatives and the Rural Electrification Administration are two agencies that are very greatly indebted, indeed, to the distinguished senior Senator from Vermont. As I have said, it has been natural that I have been drawn closely to him, because of our mutual concern with, and interest in, the field of agriculture.

But it has also been my privilege to serve on the Senate Foreign Relations Committee with Senator AIKEN. Although there are many outstanding members of the committee, I wish to point out that in that committee I have always looked to Senator AIKEN as my guide and mentor. He spends much time and study on our international problems. He is familiar with them in many areas, and his advice is always sound and respected by every member of the committee. The Nation, and the world also, are fortunate to have him on the committee, because of his thorough knowledge and his interest in the subject and his insistence on getting at the very roots of the matters which cause some of our very difficult problems.

I wish the Senator from Vermont many more happy birthdays, and want him to know how much I appreciate the privilege of serving with him in the Senate.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. Yesterday I was delighted to be able to go with the minority to pay my respects to the affable and delightful Senator from Vermont. He is one of my best friends. He is a good legislator. He is a good Republican. I do not say that about every man, but the Senator is a good Republican, and, above all, he is a good American.

Time and time again I have seen him stand up on this floor and defend my people. I have seen him travel across this country in order to better their lives. The homes of the people in the Pedernales Valley, where I live, have been improved because he has come here and we now enjoy the blessings of rural electrification, which he and other statesmen like him have supported throughout the years.

But he has not confined his attentions only to domestic matters; he is one of the outstanding authorities on our relations with other nations, and particularly with

other nations in this hemisphere. He has done a good deal to bring about a better good neighbor policy with our Latin-American neighbors. He has, I think as a proper reward, been designated to speak for this Nation in the United Nations Assembly.

All those designations and those occasions speak more eloquently than I can for the character and the capacity of the Senator from Vermont. I merely wish to say that, because he has been spared us this long, I have profited from my associations with him. I treasure his friendship, and it will be my prayer that he have many, many more years of happy and useful life.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from Wisconsin.

Mr. WILEY. Mr. President, I am very happy on this occasion to join the majority leader and the rest of the distinguished Members of this body in saying nice things about a good friend. I have been listening to what they have said. So far, it seems to me, there is one phase we have forgotten. The Senator from Vermont is not only genial and friendly, but made an outstanding record in his work for the St. Lawrence Seaway. I feel that I must give him credit. Coming from the eastern part of the country, he stood firm through the years, and when the battle was on, not on the floor, but off the floor, he gave of his energy, his time, and his fine reasoning, so that the St. Lawrence Seaway became a fact.

There is one thing about GEORGE AIKEN that I think is very fine. In committee and elsewhere he makes great contributions, but again I revert to the fact that he is always friendly. The world needs men with such dispositions. It needs them more than we realize. GEORGE AIKEN has an understandable mind.

Then, he is a sort of "independent cuss," as someone called him. Though he comes from New England, he has time to think about the Middle West farmer and to think about TVA. On many of those problems, of course, he and I have given of our efforts, side by side, to serve the general welfare, and not merely the particular interests of a certain group or section. In that respect, he is a fine public servant.

I will say, Mr. President, he does not look his age. It is a good deal better to be young at his age than to be old at 50. He carries on with a youthful spirit. May the good Lord give him many more years of health and happiness and service.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, as a fellow member of the Senate Committee on Agriculture and Forestry, I am delighted to pay tribute to the senior Senator from Vermont, the ranking Republican member of the committee. He contributes a great deal of wisdom and expert understanding and practical knowledge to that committee as a farmer, as a former Governor, and as one who has

worked with every angle of agricultural problems. He contributes an infinite amount to our understanding in committee.

Also, he contributes something else which some experts cannot do, and that is a sympathetic understanding and an appreciative understanding of the farmer's problems from the human standpoint.

There are few men I would rather have on my side anywhere than the Senator from Vermont. He has fought shoulder to shoulder, with great success, with the Senator from Wisconsin to prevent Chicago from draining Lake Michigan. I suppose this is only a minor matter in national affairs, but it is of great importance to those of us who live in that area.

Also, on big issues in international affairs, although I am not a member of the Foreign Relations Committee, I do look to the Senator from Vermont for guidance. I read his speeches in the RECORD. I listen to him whenever I can. He is thoughtful and wise, and provides real guidance.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from New York.

Mr. JAVITS. I, too, should like to join in the tribute being paid to our colleague from Vermont, Senator AIKEN. Perhaps my own feelings in this matter can be summarized by saying I have the feeling he would value the thought that he is beloved by his colleagues more than any other, and this is how I feel about him. He, too, I think, would value the realization that I consider him one of the real ideological leaders of the Senate and of the country, as one who espouses a cause which has structure and character. It is one of the things that makes me feel so deeply about the great intellectual traditions of New England. That a son of the soil can have that quality, too, is truly remarkable.

He has been blessed so far, and I think all of us can join in a prayer for him and his family for the blessings he has received notwithstanding the vicissitudes of life which for him have been very difficult and somewhat tragic, but which he has taken so remarkably well and philosophically, though we know how keenly he has felt them.

I can only bespeak for him many continued years of the kind of living he is doing today, which is the kind of living he likes the best.

Mr. CASE of New Jersey. Mr. President, I am very happy to have the opportunity to join with my colleagues in expressing a few words as to how we feel about the Senator from Vermont. The Senator from Wisconsin said there was no one whom he would rather have on his side. I prefer to put it a little differently, to say that there is no one on whose side I would always feel more comfortable than on the side of the Senator from Vermont.

As the Senator from New York said, he is very truly a leader in thought and in action of the type which has most typi-

fied not only New England, but also this country at its best.

I do not know what birthday this is for the Senator from Vermont, and I do not care, because in a real sense he is a man who does not grow old. If he takes on advancing years, as we all do, it seems to me it has the reverse effect, so far as agility of mind and breadth and scope of comprehension and sympathies are concerned.

As is true for all of us, it is for me. I look for this to continue indefinitely. It is one of the great privileges of my life to be associated with him in this body.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from California.

Mr. KUCHEL. I thank my colleague.

Mr. President, in the growth and development of our country and of the U.S. Senate it falls to the lot of very few men—past, present, and future—to be judged by their fellow men as outstanding. In the history of the Senate only a few enjoy that highest measure of respect which places them apart from the others. Many names of great past Senators come to mind.

The senior Senator from Vermont, in the opinion of his colleagues and of the people of this country, is elevated to that group. It is a true measure of their esteem for his long history of constructive legislative accomplishments, and for his long leadership in the cause of America.

There is only one basis upon which GEORGE AIKEN judges proposed legislation; that is to answer the question, "What is in the interest of the people?" GEORGE AIKEN does not genuflect to power, he does not bend the knee to any special interest group. He stands in this Chamber and talks simply and solely on the basis of what he believes to be in the best interests of the American people. He is a courageous, honorable, dedicated American public servant. I am most proud to salute GEORGE AIKEN as one of the great Senators of the United States in all its pristine history. I salute him, also, as my great friend.

Thank God, Mr. President, for the GEORGE AIKENS. I must add, I am thankful he sits on the Republican side of the aisle. All of us wish for him many happy returns of the day and many, many more years of the high public service which he has rendered to his country and to his beloved State.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. HRUSKA. Mr. President, it is with happiness that I join my colleagues in extending congratulations and felicitations to GEORGE AIKEN on this birthday. For many years I have considered him one of my very best and closest friends.

In the first instance, that friendship was rather derivative in nature, because of his very close friendship and association with my immediate predecessor in this body, the late Senator Hugh Butler. It was with him that Senator AIKEN on several occasions came to Nebraska, to visit here and there, including the farm

of the late Senator from Nebraska. On one of those occasions I first met the Senator from Vermont.

Since my entry into this body I have learned to appreciate and frequently to be the beneficiary of Senator AIKEN's helpfulness and his sympathy with regard to the problems of a new Senator. It did not take me long to realize that he is certainly one of the leading authorities in his understanding of and his sympathy for the situation of the farmers and agricultural problems generally. It did take a little longer, certainly for me, to appreciate his talent and his experience in the field of foreign relations, because in that field there is not the same opportunity for immediate consideration of everyday problems.

I think one of the finest demonstrations of his wisdom, of his long-range perspective, and of his vision for this country's position as a world power, is to be found in the splendid report he made after his latest trip to Latin America. I commend it for reading and for perusal by each and every one of our colleagues, as well as for such wide distribution and reading as possible, in order that Americans may get the full benefit of the very fine dissertation.

GEORGE AIKEN has spent a lifetime in public service. We are very fortunate to have him here as one of our colleagues. I join in wishes for many happy returns, GEORGE.

Mr. WILLIAMS of Delaware. Mr. President, it has been said that no greater tribute can be paid any man than to have it said that he commanded the respect of those who knew him best. Those words may well have been written for our colleague and our friend GEORGE AIKEN.

U.S. SUCCESSES WITH SATELLITES

Mr. CARLSON. Mr. President, every American must be thrilled by our Nation's achievement yesterday in the capturing of a returning capsule from the Discoverer satellite, which was released from the satellite circling the earth in space.

These achievements and accomplishments in the field of space, so far as our Nation is concerned, are so commonplace that I am fearful we are beginning to regard them as everyday occurrences. I think the Air Force is entitled to much credit for its ability to capture this missile at a 10,000-foot altitude before it returned to earth. This is one of the great steps in the field in regard to bringing back to earth human beings—probably the most important step taken.

I have said I think we are getting to be a little callous about these space achievements. I do not know whether the people of this Nation realize that in 1 day this past week the United States sent into orbit the largest man-made object ever put into space. A U.S. pilot achieved, at 25 miles high, the highest altitude ever reached by a piloted craft. For the first time anywhere there was recovered by the United States an instrumented capsule sent into

space. The one recovered yesterday was the second. The one captured yesterday was captured in the air. The first was taken from the water. A Polaris missile, designed for underwater firing, was launched on a successful 1,000-mile test run. The United States shot a missile 5,000 miles straight to the target.

Those things did not happen in months, but they happened in 1 day, and it was this week. I think it is about time this Nation began to give some real credit to those who are working in the field, and began to stand up and speak with some pride of our achievements.

I well remember when, not very many months ago, our Nation was concerned about the release of the sputnik. It was said, "We are way behind. We will never catch up." Let us observe what we have done. The score on the successful satellite launchings to date is, for the United States, 25 earth satellites and 2 solar satellites; for the Soviet Union, 6 earth satellites, 1 solar satellite, and 1 lunar impact.

There are still in space, in the order of their launchings, 17 of these missiles.

In the final stages, this Nation has made great progress. On that basis, Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which was published in the Chicago Daily Tribune of August 15, and also an article listing the successes with satellites, including the number which are now in space.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

U.S. SUCCESSES WITH SATELLITES NOW TOTAL 27

The score on successful satellite launchings to date is United States—25 earth, 2 solar; the Soviet Union—6 earth, 1 solar, 1 lunar impact.

Still in space, in the order of their launchings, are 17:

Explorer I, United States, silent; Vanguard I, United States transmitting; Lunik I, U.S.S.R. (solar), silent; Vanguard II, United States, silent; Pioneer IV, United States (solar), silent; Explorer VI, United States, silent; Vanguard III, United States, silent; Explorer VII, United States, transmitting; Pioneer V, United States (solar), silent; Tiros I, United States, transmitting; Transit I-B, United States, silent; Spacecraft, U.S.S.R., silent; Midas II, United States, transmitting; Transit II-A, United States transmitting; NRL Satellite, United States, transmitting; Echo I, United States, transmitting, and Sputnik IV, U.S.S.R., transmitting.

Final stages, casings, and other debris from many satellites are still in orbit, but are not included in this tabulation.

SECOND CLASS?

If, in a single day, the Soviet Union had sent into orbit the largest man-made object ever put into space; achieved, at 25 miles up, the highest altitude ever reached by a piloted craft; recovered, for the first time anywhere, an instrumented capsule sent into space; shot a missile 5,000 miles dead to target; launched a Polaris missile, designed for underwater firing, on a successful 1,100 mile test run, then the calamity chorus would unanimously cry that the United States was a second rate power, hopelessly behind in the space and missile

race, and that the time had come to strike the flag.

But, as all of these were American accomplishments, the critics will probably be sufficiently charitable to confine themselves to lamentations about the missile gap.

Mr. KEATING. Mr. President, I am happy that the distinguished Senator from Kansas has brought to our attention these outstanding achievements in the space field.

All Americans can feel a great swell of pride and gratification at the latest demonstration of American superiority in outer space and science. The snatching of a capsule ejected from space at 10,000 feet in the air marks another U.S. first in satellite history.

The Air Force officials and scientists responsible for this truly remarkable achievement are deserving of highest praise. They are showing us in dramatic fashion what so many of us have been saying for many months: that America is second to none in science, in the race for space, and in national military might.

The space capsule snatch, combined with other recent accomplishments by our scientists and technicians, including the Polaris missile successes, should put an end to the talk of those who are continually bemoaning American efforts in these fields. In this connection, a brief but meaningful editorial in the Rochester Times-Union, of August 15, voiced the view I believe many Americans hold on this subject. Significantly, this editorial appeared prior to yesterday's Air Force breakthrough. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHERE ARE THE JEREMIADS NOW?

Is America doing so badly after all? Successful flights by long-range missiles, the recovery of a space capsule from an orbiting satellite, and the launching of a 10-story high communications satellite all bear witness to impressive advances in the conquest of space.

Where now are the Jeremiads who climbed aboard the bandwagon of woe when Russia was getting such spectacular results with sputniks and lunar probes? We're not hearing nearly so much from them these days. And for the simple reason that the experts are giving us ample proof that this country is not condemned to second place in outer space.

There's no doubt we did fall behind, and there's no doubt we needed a shot in the arm. But all the evidence suggests that we have caught up fast.

President Eisenhower, of course, has been maintaining for long enough that the Nation's military security is stronger than our own critics will allow. The latest successes certainly support him.

Mr. SCHOEPPEL. Mr. President, I desire to associate myself with the remarks of my colleague [Mr. CARLSON]. I think it is most commendatory that those matters be drawn to the attention of the Senate, as he has so excellently done.

Mr. CARLSON. I thank the Senator from New York and my colleague for their remarks.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. JAVITS. Mr. President, I ask that the unfinished business be laid before the Senate for consideration.

SOCIAL SECURITY AMENDMENTS OF 1960

The Senate resumed the condition of the bill (H.R. 12580) to extend and improve coverage under the Federal old-age, survivors, and disability insurance system and to remove hardships and inequities, improve the financing of the trust funds, and provide disability benefits to additional individuals under such system; to provide grants to States for medical care for aged individuals of low income; to amend the public assistance and maternal and child welfare provisions of the Social Security Act; to improve the unemployment compensation provisions of such act; and for other purposes.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may yield first to the senior Senator from Kansas [Mr. SCHOEPPEL], to the junior senator from New York [Mr. KEATING] and then to the Senator from Virginia [Mr. BYRD] to make affirmative statements, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASE OF AUTHORIZATION FOR APPROPRIATION FOR PRESIDENT'S MUTUAL SECURITY CONTINGENCY FUND—AMERICAN REPUBLICS COOPERATION ACT

Mr. SCHOEPPEL. Mr. President, last night when the votes on S. 3861 and S. 3855 were taken, I was necessarily absent from the Senate. I had been informed there would not be any record votes on those two bills last night.

I ask that the permanent RECORD show that if I had been present and voting, I would have voted "yea" on those two bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of Virginia. Mr. President, the senior Senator from Virginia was unavoidably absent last night when the vote was taken on the increase of authorization for appropriation for the President's mutual security contingency fund. Had I been present, I would have voted "nay." I am especially opposed to aid that is given the Congo, a country that is now in conflict with the United Nations.

AMBASSADOR LODGE DRAMATIZES AMERICA'S GOOD FAITH CONCERNING DISARMAMENT AS HE NEARS THE END OF HIS UNITED NATIONS SERVICE

Mr. KEATING. Mr. President, the announcement that Ambassador Henry Cabot Lodge will soon step down from his United Nations post to campaign for

the Vice Presidency serves to remind all Americans—regardless of party affiliation—of the great works performed by this man on behalf of his country and the free world. He has truly served well the cause of peace and freedom at this perilous hour in the history of humanity.

The present ominous state of affairs in the Congo marks a somber and fateful challenge to the peace we seek and cherish. Indeed, the crisis in this African cauldron threatens the very existence of the United Nations as a primary force for world understanding and cooperation.

Much of the credit for the world stature of the U.N. and for its effectiveness in smoothing troubled international waters and mediating disputes between nations must go to Ambassador Lodge. He has worked unremittingly, selflessly and forcefully for the cause of peace during his brilliant tenure as our representative in the United Nations.

Ambassador Lodge's efforts this week in the cause of world disarmament were typical of his fine U.N. work.

In the eloquent and cogent style we have learned to expect from him, he presented America's plan for disarmament. In his remarks before the United Nations Disarmament Commission, Ambassador Lodge outlined once again our long-range and specific program for achieving disarmament agreement by successive steps. He emphasized anew our good faith dedication to a workable plan under effective control, and also enunciated 2 new proposals in this vital field.

As the New York Herald Tribune noted in an editorial, Ambassador Lodge's offer to give a large amount of our uranium for peaceful purposes if the Russians will do the same is a dramatic way of demonstrating this country's good faith on the subject of disarmament. As the Tribune also points out, this proposal has the very real advantage of cutting through the layers of abstract language which so often characterize discussions in this field.

The directness and forcefulness with which Ambassador Lodge has dramatized America's position on disarmament is typical of his superb leadership in the United Nations. As the New York Times pointed out in an editorial, he has again utilized this world forum to lay our case before it and mobilize world opinion on the side of the United States.

Regardless of the eventual outcome of our efforts to achieve a workable and effective disarmament agreement and regardless of political affiliation, all Americans owe a great debt of gratitude to Ambassador Lodge for his tenacious and eloquent representation of the American point of view in the United Nations. He has, indeed, become the "Voice of America" in the U.N.—the loud, clear voice of freedom and human rights—the voice the Russians have never been able to jam.

Because his remarks lay out so clearly and thoughtfully America's views on disarmament, I ask unanimous consent that excerpts from the address of Ambassador Lodge before the Disarmament Com-

mission be printed at this point in the RECORD, as well as the editorials from the New York Herald Tribune and the New York Times, to which I have referred.

There being no objection, the excerpts and editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 17, 1960]

EXCERPTS FROM SPEECH BY AMBASSADOR HENRY CABOT LODGE BEFORE UNITED NATIONS DISARMAMENT COMMISSION

There should, we think, be no misunderstanding as to why the United States requested this meeting. We very much want negotiations on disarmament to resume. But we do not call this meeting for the purpose of conducting negotiations on disarmament here and now in this Commission.

The United States knows that the Soviet Union at present does not wish to negotiate. There were no successful negotiations at Geneva and unless the Soviet attitude changes there will be no negotiations either here in the Disarmament Commission or next month in the General Assembly.

Why, then, did the United States ask for this meeting? For several reasons. It is because we thought the Commission had a right to be informed about the Geneva talks and it is because we wanted to present our case to the United Nations and to world position. We wanted also to present it to the Soviet Union.

SOVIET WALKOUT NOTED

On June 27 the U.S. representative at Geneva was about to present the new U.S. position. At this point the Soviet Union walked out of the meeting. There were members then who thought that we should have a meeting of this Commission.

The Secretary General thought that such a meeting was inadvisable at that time. We agreed and we believed that we should make an appeal by ourselves to the Soviet Union before resorting to the Commission. We did this on July 2, but our overture did not bring a resumption of talks.

We think we have a good proposal. What I am going to say today not only restates that proposal which we made at Geneva, but it adds something to it which we think is very significant. We do not, of course, insist that the Soviet Union must agree to this; but we do think that the Soviet Union ought to hear it.

We also think that world opinion ought to hear it and ought to hear it in a forum like this which is devoted exclusively to disarmament, and not merely hear it in the General Assembly, where it is only one of more than 80 other issues.

Now those are some of the reasons why we called this meeting, but finally—the final reason for which the United States called this meeting is because the United States believes that the greatest service the Disarmament Commission could render would be to use its great influence to have disarmament negotiations resumed without delay. They are now stalled. What we ask of this Commission is to do all in its power to get the talks going again.

Now that is what I wanted to say as to why we called the meeting. The members of the Commission have before them the most important papers presented in the 10-nation committee, including the U.S. proposal of June 27, which was presented on the same day that the Soviet Union walked out.

U.S. DOCUMENT OFFERED

It is contained in document DC-154. I urge members of the Commission to study this paper. It proposes a number of concrete measures of disarmament. I mention this because Soviet documents circulated in

the Commission assert time and again that the United States and its allies have proposed no disarmament measures whatever. As you can see from these documents, that charge is entirely incorrect.

The quest for disarmament is long and difficult. At difficult moments such as this we must keep a clear view of our fundamental goals. And they are these:

We want a world at peace: not the fearful peace of an armed truce, but a genuine peace which rests on trust among the nations.

We want a world in which all nations and peoples, both great and small, are secure from aggression and can shape their destinies in freedom.

We want a world of open societies in which peoples are no longer separated by barriers of official secrecy and official hatred.

We want a world whose rich resources and spectacular scientific prowess will be used not for conquest, nor for defense against the fear of conquest, but only for the welfare of mankind and the growth of the human spirit.

We want world peace under law which is inspired by justice.

And we want the kind of disarmament—which is both fair and fully verified—which will help the world toward those great ends.

The United States has pursued such a disarmament policy for many years. We have made far-reaching, concrete proposals.

Only in one field related to disarmament, that is the cessation of nuclear weapons tests, have we had any real promise of success. Progress there is slow, but the discussions are going on.

This negotiation suggests what might be accomplished if the same patient and constructive efforts could be applied to other definite, concrete parts of the disarmament problem.

U.S. CONVICTIONS LISTED

The United States brought to the 10-nation talks certain basic convictions born of experience. These can be stated as follows:

A sound disarmament plan must be broad enough in scope to take in all kinds of armaments and armed forces.

It must be concrete and realistic, tied to the growing complexity of modern weapons.

It must move step by step, always under adequate control, toward the ultimate goal of complete and general disarmament under effective international control.

It must be so fair at every stage that no country will gain a military advantage over another country at any stage.

It must include agreed procedures for settling international disputes peacefully, in accordance with the Charter of the United Nations, after complete and general disarmament has been achieved.

Finally, before nations can proceed confidently with great reductions in weapons, a sound disarmament plan must reduce the enormous uncertainties and risks which exist today, which present a real danger of war by accident or miscalculations, and which give a great impulse to the arms race.

DANGER POINTS GIVEN

We know what contributes to these risks and uncertainties. There is the danger of surprise attack prepared in secret; the threat of nuclear attack from outer space; the constantly mounting stockpiles of nuclear weapons; and the vast size of armed forces and non-nuclear-weapons stocks.

Those are the danger points which would be attacked in stage 1 of the plan which we proposed on June 27. This first stage is designed to build safeguards against surprise attack, to stop further nuclear weapons production, to cut down existing nuclear weapons stocks, to start cutting nonnuclear armaments and armed forces, and to take the steps to prevent the militarizing of outer space.

When those steps are completed at the end of stage one, we believe we will have a much more stable situation in which nations can move confidently toward general and complete disarmament—the complete elimination of weapons of mass destruction, and the reduction of national armed forces to levels required only for internal security and to meet obligations under the United Nations Charter.

The disarmament plan put forward in Geneva by the Western Powers on March 14 and that proposed by the United States on June 27 were both designed to accomplish these aims and you have already received copies of the June 27 proposal. We believe—and I believe the other Western Powers also believe—that it forms an entirely reasonable and practical basis for negotiations and conclusions of agreements which would lead to our ultimate goal.

SOVIET CHARGE IS DENIED

This proposal is of course not control without disarmament, as has been alleged by the Soviet Union. It contains far-reaching, concrete disarmament measures. It is realistic. It envisages disarmament as proceeding through three stages, each containing measures which are phased, safeguarded and fair to all.

Each of these stages would be carried out within an agreed and definite time period under the supervision of an international disarmament control organization within the framework of the United Nations. It also reflects our conviction that in the process of disarmament no state should obtain military advantage by reason of this process over another.

The first stage, to be embodied in a treaty by the 10 nations involved in the conference, includes initial and controllable measures which can and should be undertaken without delay.

The second stage envisages further reduction of armed forces; reduction in armaments of all kinds, and destruction or conversion to peaceful use of discarded weapons.

The final stage of our plan would see the reduction of military establishments to levels required only for the purpose of maintaining internal order, of insuring personal security of citizens, and of providing agreed contingents to the international peace force.

Here is a list of the concessions to the Soviet view which we embodied in our proposal of June 27.

1. We included a definition of general and complete disarmament, in terms not very different from the Soviet definition.

2. We accepted the principle that each measure of a disarmament program would be carried out in an agreed and strictly defined period of time.

3. We adopted a provision based on the Soviet plan of June 2 for a review by the Security Council of the progress of disarmament at the end of each disarmament stage. That is something they wanted.

4. We agreed to a figure of 1.7 million for the armed forces of the U.S.S.R. and the United States in the second stage of the disarmament program. That is a real thing to agree to.

5. We accepted a technical examination of measures necessary to control, reduce, and eliminate agreed categories of nuclear delivery systems, including missiles, aircraft, surface ships, submarines, and artillery. This concerned a measure to which the Soviet Union had given first place in its disarmament program.

I think that is evidence of our real will to reach an agreement.

NEW PROPOSALS OFFERED

The United States refuses to be discouraged. But we should lose no time in resum-

ing discussions on some basis which promises progress. Modern armaments are constantly growing more complex and more difficult to control or abolish with certainty. We must not wait, as the Soviet Union seems to want us to do, while the problems grow more difficult and more dangerous.

As proof of the serious purpose with which the United States requests the renewal of negotiations, I am authorized to present today to the Soviet Union two new proposals. And I do so now.

The first proposal relates to ending the production of fissionable materials for weapons purposes. In the past the United States has proposed that when this production was cut off, agreed quantities of fissionable materials be transferred, under international supervision, from existing accumulated weapons stocks to peaceful uses—thereby reducing directly the number of nuclear weapons now in national arsenals.

The United States is ready to carry out this proposal on a reciprocal basis with the Soviet Union. In doing so the United States is ready also on a reciprocal basis, to set aside 30,000 kilograms of weapons grade U²³⁵, as the amount which the United States and the Soviet Union would each initially transfer.

Let me say by way of explanation that 30,000 kilograms of weapons grade U²³⁵, if used in our modern nuclear weapons, would generate an explosive force well over 1,000 times greater than that of all the high explosive bombs dropped by all the warring powers during World War II.

SECOND PLAN OFFERED

The transfer of that amount to peaceful uses by the United States, and an equal amount by the Soviet Union, would mean an immediate and sizable reduction in the nuclear threat. It would be a real and a practical measure of disarmament and I put that today before the Soviet Union.

If the Soviet Union is not prepared to join in a plan of this kind, I am authorized to propose a second direction in which we might now make a start.

The United States is ready to join the Soviet Union in halting by successive steps the production of fissionable materials for weapons use. We are prepared to shut down, one by one, under international inspection, our major plants producing enriched uranium and plutonium, if the Soviet Union will shut down equivalent facilities.

We are prepared to do this now—with no delay at all.

The United States is eager to renew negotiations on concrete disarmament measures such as these. We are willing to hear new Soviet proposals.

We again invite the Soviet Union to work with us—not with the object of one of us putting the other in the wrong and thus winning a small victory of some sort. Victories of that kind are likely to prove hollow very soon.

Let us, rather, join to win a common victory for the future of mankind.

[From the New York Herald Tribune,
Aug. 18, 1960]

A DRAMATIC GESTURE TOWARD DISARMAMENT

Ambassador Lodge's offer to give 66,000 pounds of enriched uranium for peaceful uses under international control if the Russians would do likewise is a dramatic way of demonstrating this country's good faith in its approach to disarmament.

The offer has the advantage of cutting through the layers of abstract language talk, after years of fruitless disarmament talk, has practically become a dialect in itself. The fact that substantial amounts of

uranium would have to be removed from existing weapons in order to make up the total adds to the impact of the gesture.

If that did not suit the Soviets, Mr. Lodge went on, the United States would offer to close down, one by one, its uranium and plutonium plants or turn over their output to peaceful international use. Again, the Russians would have to do the same.

There seems to be no way of denying that either of these steps, and especially the first, would substantially reduce the nuclear warfare capacities of both countries. But the Soviet reaction has already made it clear that Moscow is still not interested in practical proposals. It opposes the current meeting of the United Nations Disarmament Commission to begin with—which is an attempt to resume, in another forum, the talks the Soviets broke up last spring in Geneva.

They are instead planning their own show, which, they hope, will be a free-for-all 82-man summit at the new session of the General Assembly next month. Whatever becomes of this project, it will do nothing to further the cause of disarmament.

Yet if we are forced to the discouraging conclusion that the Soviet Union will never become seriously interested in disarmament, however limited, unless a combination of events should make it politically advantageous, we cannot accept the prospect of a permanent dead end. For there are some conceivable combinations of events which could well change their notions of just what political advantage is.

[From the New York Times, Aug. 18, 1960]
THE U.N. AND DISARMAMENT

Despite Soviet attempts to prevent it and threats to boycott it, the United Nations Disarmament Commission has assembled at its East River headquarters to consider the shambles created by the Soviet walkout at the 10-nation disarmament conference in Geneva 2 months ago. The meeting was called at the urgent request of the United States; virtually all non-Communist nations supported the American request and, despite strenuous Soviet lobbying, not one non-Communist group of nations agreed to join in the boycott, thereby forcing the Soviets to attend to avoid appearing isolated.

This development is all the more significant because the Soviets forced the expansion of the originally small disarmament commission to include all 82 United Nations members in the hope of dominating it by winning support among the new and the neutralist nations. Thus far at least they have been disappointed.

As Ambassador Lodge explained, the United States called for the meeting not to conduct negotiations in it, which is impossible in a body so large, but to lay our case before it and mobilize world opinion in the hope of influencing the Soviets to engage in honest negotiations in the smaller technical bodies appointed for that purpose. To that end he again outlined the far-reaching and concrete disarmament measures already advanced by the West to reach general and complete disarmament by stages, but always under effective control, and added to them two new ones to divert atoms for war to atoms for peace.

As usual, the Soviets promptly rejected them with arguments that merely demonstrated anew their determination to evade any controls that would break down their Iron Curtain or infringe on the secretiveness that is not only a Communist but a traditionally Russian characteristic. Controls are to them synonymous with espionage to find out what they are trying to hide and it will take increasing world pressure to induce them to modify this attitude. The Disarmament Commission can do much by concerted action to further this aim.

AID FOR THE ELDERLY

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article from the Wall Street Journal, entitled "The Aging": Neither Indigent Nor Childlike, They Want Government Aid as Very Last, Not First, Resort."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Aug. 18, 1960]

"THE AGING": NEITHER INDIGENT NOR CHILD-LIKE, THEY WANT GOVERNMENT AID AS VERY LAST, NOT FIRST, RESORT

(By James W. Wiggins and Helmut Schoeck)

Seen from our sample, the aging population of the United States enjoys a high level of health. Some 90 percent of all respondents said they were in either good or fair health. Two-thirds of our sample declared themselves in good health. Only 10 percent said they were in poor health.

The statements about their good health by the respondents are supported by the concluding observations written by the interviewers. Reading those final remarks, we see a profile of the aging that shows them to be in good health and in cheerful moods; they appear self-reliant and disdainful of efforts to single them out for special consideration.

About two-thirds of our respondents had neither seen a doctor nor talked with one on the telephone, in regard to their health, during the 4 weeks preceding the interview. Only 28 percent were planning to see a doctor in connection with their health during the 2 weeks following the interview.

Almost 80 percent of the aging in our sample had never heard from anyone that they might need certain things at their present age which they did not need when they were younger.

When we asked the respondents: "Do you have any medical needs now that are not being taken care of?"—92 percent said, "No." However, for the remaining 8 percent who knew of some unfilled medical needs, we have to distinguish various reasons for the failure to relieve the need. Financial reasons were the least important ones. Often the respondent would point out that a certain operation or artificial aids, such as glasses, teeth, or hearing equipment, had been recommended but that some other doctor, or friend, had advised against it as not worth the risk or trouble.

MEETING AN EMERGENCY

This picture of a healthy and well-cared-for aging population in the United States is fully supported by the economic data on their medical care. Only 5 percent of all respondents in our sample had spent over \$100 for themselves or their spouses during the month preceding the interview. In fact, of the 94.7 percent who reported expenditures for medicines and medical care below \$100, the majority had either no expenses or only a few dollars. Only 1 percent in our sample reported medical expenses in excess of \$500.

So much for the realities. But how would the modal (occurring oftenest) aged person cope with a medical emergency? To receive an answer to that question, the interviewer had to phrase his question with regard to the social class of the respondent. He asked: "Suppose you had a large medical bill and no medical insurance, how would you pay the bill?" In the case of the lower class respondent, he would specify: "Let us say, a bill of \$1,000"; for middle class people the amount was \$2,000; and for the upper class person a hypothetical bill of \$5,000.

Combining the responses from all three social classes, 42 percent of our respondents would use cash or a check to pay the bill, 11 percent would mortgage their homes, and

15 percent would use cash value of insurance or sell stocks and bonds. Fewer than one-third of the respondents gave various other ways of paying such a large bill. Thus we can say that the modal aging person in the United States can cope with a large medical bill by conventional and personal means. We should note that the question specifically inquired about the method of payment in case there was no medical insurance. However, 64 percent of our respondents did report insurance for medical purposes.

The modal annual cash income reported was between \$2,000 and \$3,000. Half of the respondents reported incomes in excess of \$2,000 per year, and 1 out of 20 reported more than \$10,000 annual income. One interviewer was uncertain of the applicable socioeconomic category when she found a respondent who reported no cash income, but owned 300 acres of valuable farmland in a Mountain State. We assured the interviewer that lack of cash income did not place this man in the lower class. Another respondent reported his cash income as \$400 per year, and, when asked later what he did for the community, replied that he helped the poor. The modal respondent reported that he had no income other than cash, but nearly one-third did report other income.

Cash income is, however, an inadequate measure of the financial position of any population, and particularly the older population. Ownership of a fully furnished home, the completion of responsibility for children, completion of premium payments on life insurance, and similar considerations enter the picture.

A very significant index to financial independence is the statement of net worth. The aging were asked to estimate their net worth, that is, the cash value of their assets minus their liabilities. The modal aging respondent reported his cash-equivalent assets over liabilities to be in excess of \$10,000. This figure referred to assets of the living respondent, not "estate at death," which would have included life insurance death benefits. Almost 60 percent of the sample made up this modal group.

Significantly, a large number of respondents spontaneously and energetically stated that they did not have any debts, and did not believe in buying on credit. This reinforces the data on medical and related debts described above.

Since economic crisis may hit the aged as it does the young, respondents were asked where they might get a "lot of money for an emergency . . . with least embarrassment." The modal group (53.8 percent) listed children and other relatives as preferred sources. Friends, church groups, and lodge brothers came next, with 12 percent. The only impersonal source suggested with any frequency was the small loan company.

WORRIES OVER INFLATION

Concern was expressed by many respondents over inflation, even before the interviewer reached the question dealing with it. The decade of the 1940's was the most frequently named period for the first significant awareness of the declining value of money. The explanations given by the aging for inflation have not yet been fully analyzed, but the respondents usually cited government, war, labor unions, and big business. The individual who was blamed most often by name was Franklin D. Roosevelt.

The modal member would expect the Government to meet the minimum needs of the genuinely destitute aging. But for this group the proviso was added, "If there are no children," or "If the children can't help." When asked where the respondent would want to obtain housing in case he could not finance it himself, the modal member of the sample (43 percent) preferred housing under church auspices. Less than one-fourth chose Government housing, even in case of great

need. One interviewer, a trained sociologist, reported that in his rural sample the mere suggestion of housing by the State or Government as a possibility often provoked a fright reaction.

The modal two-thirds (66.4 percent) are in retired status, although a number in this category are still gainfully employed. The typical respondent did not wish to continue working after retirement, but nearly half did wish to continue. Of the 33.6 percent still working, 70.4 percent are working on the same job held prior to reaching age 65.

The modal person in our aging population has religious affiliation. Over 80 percent are members of a church. If special care was needed from outside the family, twice as many elderly Americans would prefer to get it from their church rather than from the State. However, they are far from being dependent on the church. They would not want the church to assume or proffer family or welfare functions.

Contrary to the usual stereotypes held today, the aging, even in our large cities, are far from being doomed to loneliness. Horizontal mobility, urbanization, the much-cited but rarely specified "social change" have all failed to break or even to weaken the bond between aging parents and adult children. Moreover, it is a social relationship of true reciprocity. When asked: "Do you ever help your children or other close relatives in any way?" 72 percent of our respondents replied "Yes."

Peter Townsend, reporting from his survey in East London, did not find much "hard evidence of neglect on the part of old people's children. Widespread fears of the breakdown of family loyalties and of married children's negligence seem to have no general basis in fact. Doctors, social workers and others who express such fears may sometimes forget they are in danger of generalizing from an extremely untypical subsection of the population or from a few extreme examples known personally to them. So far at least as the old are concerned, therefore, there is no justification for an attempt to supplant the family with state services."

LIFE IS SIMPLER

Our data indicate that very similar conclusions can be drawn for the United States. In fact, when the respondents in our survey were asked: "Do you believe that a new department of Government could do something important for you personally that is not being done now?" the majority (60 percent) said, "No."

Social workers and other interest groups often insist that modern life has become so complicated that our aging citizens need someone else to tell them how to take care of themselves. But our survey suggests that the majority of our older people do not seem impressed by an increasing complexity of life, nor do they expect this problem to loom large within the next 10 to 20 years. On the contrary, they can think of many chores and problems of daily life that have become much easier for them than they were for their own parents and grandparents.

In conclusion, the data presented in this paper strongly supports a reexamination of the conceptions of the aging in the United States. It may be seriously questioned whether increasing age is pathological per se, as is implied by the alarm with which it is viewed by many researchers, professional helpers, and policymakers. While attempting to study the aging, the social scientists may make them objects, rather than persons, and in so doing produce problems where none previously existed. There seems little doubt that the (widespread) caricature of the aging derives from application of the experience of a generation ago to a new type of over-65 population.

Finally it must be emphasized that this paper does not deny that parts of our population of all ages, including old age, are dependent, inadequate, ill, and unemployed. The authors share feelings of sympathy for such persons. The study here reported, however, shows that the aging, like others in our population, are not characteristically dependent, inadequate, ill, or senile.

It is hoped that further research into the normal can be carried out. Since all resources are limited, whether of family, kin, private or public agencies, the recognition that the dependent and helpless in our aging population are limited in number will allow available resources to be applied with discrimination, with far greater hope of return to the society and to its people.

SOCIAL SECURITY AMENDMENTS OF 1960

The Senate resumed the consideration of the bill (H.R. 12580), the social security amendments of 1960.

Mr. BYRD of Virginia. Mr. President, the bill, H.R. 12580, as amended by the Committee on Finance, makes many worthwhile improvements in the Social Security Act relating to the old-age and survivors, and disability insurance, old-age assistance, aid to the blind, maternal and child welfare, and unemployment compensation provisions. It liberalizes the eligibility requirements for social security benefits so that approximately 125,000 disabled workers and an equal number of dependents may qualify for benefits immediately irrespective of age.

I have placed on the desk of each Member of the Senate a Finance Committee pamphlet showing the major differences in the present social security law and H.R. 12580 as reported by the Committee on Finance, the principal features of which I shall briefly summarize.

First, however, I wish to say that this bill is the result of many months of study and research on the subject of medical care for the aged. This has included testimony presented in the extensive public hearings held by the House Committee on Ways and Means, and the additional hearings by the Committee on Finance on the House-passed bill and certain other health care proposals which had been advanced in the Senate. The committee is cognizant of the many problems which exist in this area and the difficulties attendant upon the various approaches which have been advanced.

The medical plan adopted by the Finance Committee was proposed jointly by the senior Senator from Oklahoma [Mr. KERR] and the junior Senator from Delaware [Mr. FREAR]. Other members of the committee who joined as cosponsors are the junior Senator from Louisiana [Mr. LONG]; the junior Senator from Florida [Mr. SMATHERS]; the senior Senator from Delaware [Mr. WILLIAMS]; the junior Senator from Kansas [Mr. CARLSON]; and the senior Senator from Utah [Mr. BENNETT]. This amendment was adopted by a record vote of 12 yeas to 4 nays. Six Democrats and six Republicans voted in favor of the amendment, and four Democrats voted against it.

Therefore, a majority of the Democratic members of the committee voted in favor of the amendment, and all the Republican members voted for it. I favor enactment of this bill with the Kerr-Frear medical care amendment.

The Federal-State plan proposed by the Finance Committee inaugurates a medical care program for the aged in our country who are unable to pay their medical bills when illness occurs or continues. This program is established under title I of the Social Security Act. It provides additional matching funds to the States to, first, establish a new or improve their existing medical care program for those on the old-age assistance rolls and second, initiate a new program designed to furnish medical assistance to those needy elderly citizens who are not eligible for old-age assistance but who are financially unable to pay for the medical and hospital care needed to preserve their health and prolong their life. This twofold plan would thus cover all medically needy, aged 65 or over, whether or not they are eligible for old-age assistance or whether or not they are eligible for the benefits under the social security or any other retirement program, subject only to the participation by the State of which they are resident.

Participation in the Federal-State program is completely optional with the States, with each State determining the extent and character of its own program and the standards of eligibility.

For those on the old-age assistance rolls, the Kerr-Frear amendment provides for Federal matching of vendor medical care of \$12 a month per recipient which would be in addition to the present \$65 maximum for Federal matching for old-age assistance; the Federal share to be 50 to 80 percent depending on the per capita income of the State, where the State monthly payment is over \$65, and 65 to 80 percent depending on the per capita income of the State where the monthly payment is under \$65.

For the other medically needy individuals, the Federal share would be 50 to 80 percent with no dollar maximum for medical care.

There is no Federal limitation on medical service provided under the bill. The Federal Government will participate under the matching formula in any program which provides any or all of the following services:

1. Inpatient hospital services;
2. Skilled nursing-home services;
3. Physicians' services;
4. Outpatient hospital services;
5. Home health care services;
6. Private duty nursing services;
7. Physical therapy and related services;
8. Dental services;
9. Laboratory and X-ray services;
10. Prescribed drugs, eyeglasses, dentures, and prosthetic devices;
11. Diagnostic, screening, and preventive services; and
12. Any other medical care or remedial care recognized under State law.

A State may, if it wishes, include medical services provided by osteopaths, chiropractors, and optometrists, and remedial services provided by Christian Science practitioners.

The medical plan advocated by the Finance Committee represents a realistic and workable plan. States can take advantage of its provisions in part or in whole beginning October 1, 1960.

The financial incentive in the Finance Committee plan should enable every State to improve the medical services now provided under their old-age assistance programs and extend such services to every other person over 65 years of age who is unable to secure medical services. This would include those under the social security system, railroad retirement system, civil service system, or any other public or private retirement system, whether such person is retired or still working subject only to the standards determined by the State. It would cover

the widows of such workers as well as their dependents who meet the age 65 requirement and are unable to provide for their medical care.

Under the revised title I, State plans, with the aid of Federal matching funds, could provide potential protection under this new medical assistance program to as many as 10 million persons aged 65 whose financial resources would be insufficient to cover sizable medical expenses. These 10 million would include the vast majority of the 12 million individuals who are receiving social security benefits. Also some 2.4 million people on old-age assistance could receive medical care under the committee's bill.

In the first year after enactment before all States have been able to adopt

or extend such programs, an estimated additional \$60 million in Federal funds would be expended for medical assistance for the aged. In addition, increased Federal funds for matching vendor medical-care payments in respect to the 2.4 million old-age assistance recipients are estimated at about \$140 million. Thus under both programs combined the cost would be \$200 million. I ask unanimous consent to insert for the record a table showing a State-by-State breakdown of the estimated amount of Federal matching which would be provided for medical care.

There being no objection, the table was ordered to be printed in the Record, as follows:

TABLE B.—Estimated annual 1st-year costs under proposed program of medical assistance for the aged and for additional matching for vendor medical care payments under old-age assistance

[All figures in thousands]

	Medical assistance for the aged ¹		Additional OAA vendor medical costs		Additional costs—both programs			Medical assistance for the aged ¹		Additional OAA vendor medical costs		Additional costs—both programs	
	Federal cost	State and local cost	Federal cost	State and local cost	Federal cost	State and local cost		Federal cost	State and local cost	Federal cost	State and local cost	Federal cost	State and local cost
United States.....	\$60,000	\$55,837	\$142,175	\$3,873	\$202,175	\$59,710	Missouri.....	\$175	\$152	\$4,582	-----	\$4,757	\$152
Alabama.....	34	9	4,155	-----	4,189	9	Montana.....	30	26	186	\$158	216	184
Alaska.....	1	1	82	82	83	83	Nebraska.....	944	545	712	-----	1,690	545
Arizona.....	12	6	635	370	647	376	Nevada.....	47	47	187	-----	234	47
Arkansas.....	27	7	3,308	-----	3,335	7	New Hampshire.....	854	620	404	-----	1,253	620
California.....	750	750	18,365	-----	19,115	750	New Jersey.....	4,879	4,879	1,362	-----	6,241	4,879
Colorado.....	361	314	3,627	-----	3,988	314	New Mexico.....	9	4	877	-----	886	4
Connecticut.....	3,318	3,318	1,039	-----	4,357	3,318	New York.....	13,416	13,416	5,919	-----	19,335	13,416
Delaware.....	33	33	41	13	74	46	North Carolina.....	62	18	1,897	-----	1,959	18
District of Columbia.....	75	75	40	-----	121	75	North Dakota.....	245	85	773	-----	1,018	85
Florida.....	296	199	3,354	-----	3,650	199	Ohio.....	1,336	1,336	6,480	-----	7,766	1,336
Georgia.....	14	5	4,804	984	4,818	989	Oklahoma.....	1,318	633	8,699	-----	10,017	633
Hawaii.....	43	43	28	-----	71	43	Oregon.....	1,719	1,550	1,064	-----	2,783	1,550
Idaho.....	34	17	673	-----	707	17	Pennsylvania.....	2,451	2,451	3,001	-----	6,052	2,451
Illinois.....	5,911	5,911	3,905	-----	9,816	5,911	Rhode Island.....	896	896	485	-----	1,381	896
Indiana.....	3,013	3,013	594	-----	3,607	3,013	South Carolina.....	6	2	1,623	-----	1,629	2
Iowa.....	98	67	3,120	-----	3,218	67	South Dakota.....	3	3	419	186	427	189
Kansas.....	1,062	678	2,485	-----	3,557	678	Tennessee.....	22	7	1,934	-----	1,956	7
Kentucky.....	15	4	2,795	572	2,810	576	Texas.....	79	50	6,891	426	6,970	476
Louisiana.....	123	48	12,970	-----	13,093	48	Utah.....	34	18	741	-----	775	18
Maine.....	156	83	731	-----	887	83	Vermont.....	43	22	206	-----	249	22
Maryland.....	822	822	384	-----	1,206	822	Virginia.....	503	266	331	-----	834	266
Massachusetts.....	4,751	4,751	5,663	-----	10,414	4,751	Washington.....	2,451	2,451	3,517	-----	5,968	2,451
Michigan.....	1,778	1,778	4,405	-----	6,183	1,778	West Virginia.....	75	28	567	-----	642	28
Minnesota.....	2,612	1,848	3,943	-----	6,555	1,848	Wisconsin.....	2,980	2,478	2,770	-----	5,750	2,478
Mississippi.....	6	2	4,638	1,112	4,644	1,114	Wyoming.....	53	62	238	-----	291	62

¹ Because of the newness of this program, it is extremely difficult to estimate exactly which States will participate and to what extent, especially in the 1st year after enactment.

NOTE.—Estimates were not made for Guam, Puerto Rico, and Virgin Islands, which States will participate in these programs; any additional expenditures for these jurisdictions would probably be relatively small.

Mr. BYRD of Virginia. I shall defer further discussion of the Finance Committee medical care for the aged at this time so that I may point out some of the other salient features of the pending bill.

DISABILITY INSURANCE PROGRAM

This bill makes three major changes in the disability benefit provisions of title II of the Social Security Act, as follows:

First. Eliminates the 50-year age requirement so as to enable approximately 250,000 additional workers who are totally and permanently disabled to qualify for benefits.

Second. Strengthens the rehabilitation aspects of the disability program by providing a 12-month period of trial work, during which benefits are continued for all disabled workers who attempt to return to work, rather than limiting this trial period to those under the formal Federal-State vocational rehabilitation plan as in existing law.

Third. Provides that people who become disabled within 5 years after ter-

mination of one period of disability, will not be required to serve another 6-month "waiting period" before they are again eligible to receive benefits.

EARNINGS LIMITATION

The Finance Committee added an amendment to the House-passed bill which will increase the earnings limitation for social security benefits from \$1,200 to \$1,800 per year.

I may state that the occupant of the chair, the distinguished junior Senator from North Carolina [Mr. JORDAN], was one of the Senators who offered that amendment some months ago.

REDUCTION OF RETIREMENT AGE FOR MEN TO 62

Under another Finance Committee amendment men workers and dependent husbands would be entitled to elect to retire at age 62 with actuarially reduced benefits, in the same way that women workers and wives can now make such an election. Likewise, dependent widowers and dependent fathers of deceased workers would qualify for full

benefits at age 62 in the same manner as widows and dependent mothers of deceased workers now can qualify. It is estimated that approximately 1.8 million men would be eligible to elect to retire immediately and receive reduced benefits if they so desire.

The cost of this plan will not be greater than if the retirement occurred at age 65, because they receive less funds during that 3-year period.

BENEFITS FOR SURVIVORS OF WORKERS WHO DIED BEFORE 1940

This bill provides for the payment of benefits to survivors of a worker who acquired six quarters of coverage and died before 1940. Under the 1939 amendments survivors' monthly benefits were payable only to survivors of workers who died after 1939. About 25,000 people—most of them widows aged 75 or over—would be made eligible for benefits by this change. Benefits would be payable only for months beginning after the month of enactment.

INCREASE IN CHILDREN'S BENEFITS

The benefits payable to the children of deceased workers, which now can be somewhat less than 75 percent of the worker's benefit—depending on the number of children in the family—would be 75 percent for all children, subject to the family maximum of \$254 a month, or 80 percent of the worker's average monthly wage if less. About 400,000 children would get some increase as a result of this amendment, effective for benefits for the third month after the month of enactment.

OTHER BENEFIT IMPROVEMENTS

Certain dependents and survivors of insured workers would also benefit by provisions included in the bill which—effective with the month of enactment—would first authorize benefits on the basis of certain invalid ceremonial marriages contracted in good faith; and second, assure continuation of a child's right to a benefit based on the wage record of his father, which is now voided if a stepfather was living with and supporting him at the time his father died, or in a retirement or disability case, at the time when the child applied for benefit.

INCREASED COVERAGE

Another opportunity would be provided for an estimated 60,000 ministers to be covered under the program.

If the States take advantage of the opportunity offered them, nearly 2½ million employees of State and local governments could obtain coverage for certain past years on a retroactive basis.

The provision of the House bill covering American citizens employed in the United States by foreign governments was also approved, as was the House provision covering certain policemen and firemen under retirement systems in my State of Virginia.

Other approved provisions would facilitate coverage for some of the non-covered people employed in positions covered by State and local retirement systems and for 100,000 noncovered employees of certain nonprofit organizations.

COVERAGE OF PHYSICIANS

The provisions in the House bill extending coverage to physicians have been deleted because of lack of definitive information on whether a majority of doctors wish to come under the program.

I have undertaken a poll of the physicians in Virginia to ascertain whether they desire to come under this program.

INVESTMENT OF TRUST FUNDS

The bill would make certain changes in the investment provisions relating to the Federal old-age and survivors insurance trust fund and Federal disability insurance trust fund so as to make interest earnings on the Government obligations held by the trust funds more nearly equivalent to the rate of return being received by people who buy Government obligations in the open market. The bill will relate the interest received on future obligations issued exclusively to the trust funds to the average market yield of all marketable obligations of the United States that are not due or call-

able for four or more years from the time at which the special obligations are issued. Current actuarial cost estimates indicate that this change would, over the long range, provide additional income to the trust funds equivalent to 0.02 percent of payroll on a level-premium basis.

The bill substitutes for the present requirement that the managing trustee purchase marketable obligations unless it is not in the public interest to do so, a requirement that he purchase obligations issued exclusively to the trust funds unless it is in the public interest to purchase obligations in the open market.

The bill also provides that the board of trustees as a whole shall have responsibility for reviewing the general policies followed in managing the trust funds and that in keeping with its responsibilities the trustees shall meet at least every 6 months.

AID TO THE BLIND

The committee adopted an amendment to the House-passed bill to increase the exemption of earned income allowed for people receiving benefits under the aid-to-the-blind State assistance program from \$50 a month, or \$600 a year, to the first \$1,000 of earnings per year, plus one-half of any additional earnings. This exemption would be optional with the States beginning with the calendar quarter that starts after the date of enactment, but would be compulsory beginning on July 1, 1961.

Also approved was the House provision extending from June 30, 1961, to June 30, 1964, the temporary legislation which relates to the approval by the Secretary of Health, Education, and Welfare of certain State plans for aid to the blind—namely, those of Pennsylvania and Missouri.

MATERNAL AND CHILD WELFARE PROGRAMS

Both the House and Senate committee bills authorize increased annual appropriations for the maternal and child health service programs from \$21.5 million to \$25 million and the services for crippled children program from \$20 million to \$25 million. The child welfare program authorization was increased in the House bill \$17 million to \$20 million, and further increased by the Finance Committee to \$25 million, so as to assure services to more counties by providing for more child welfare workers and equipping these workers through special training to provide better services for the mentally retarded children.

UNEMPLOYMENT COMPENSATION

The committee approved the House provision improving the operation of the Federal unemployment account—the so-called George-Reed loan fund—by tightening the conditions pertaining to eligibility for and repayment of advances to States with depleted reserve accounts. In addition, the committee adopted an amendment to increase the amount authorized to be built up in this loan fund from \$200 million to \$500 million.

The committee did not approve the other proposed changes in the unemployment compensation program because of the limited time afforded the

committee to the consideration of the bill as a whole and the need for further study and hearings on some of the complicated problems involved.

I shall not attempt to describe the many other provisions of the bill which will simplify and improve the operation of the social security laws.

I repeat that I favor enactment of this bill with the Kerr-Frear medical care for the aged amendment approved by a 12 to 4 record vote of the committee.

I ask unanimous consent that the committee amendments be adopted en bloc, and the bill as so amended be open for further amendments.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. JAVITS. Do I correctly understand that if the request shall be agreed to, every part of the bill, including the amendments which will have been adopted, will be open to further amendment?

Mr. BYRD of Virginia. The Senator is correct.

The PRESIDING OFFICER (Mr. JORDAN in the chair). That is the opinion of the Chair.

Mr. JAVITS. Mr. President, may we have action on the request of the Senator from Virginia?

The PRESIDING OFFICER. Without objection, the request is agreed to.

The amendments agreed to en bloc are as follows:

At the top of page 2, to strike out:

"TABLE OF CONTENTS

"Title I—Coverage

"Sec. 101. Extension of time for ministers to elect coverage.

"Sec. 102. State and local governmental employees.

"(a) Delegation by Governor of certification functions.

"(b) Employees transferred from one retirement system to another.

"(c) Retroactive coverage.

"(d) Policemen and firemen.

"(e) Limitation on States' liability for employer (and employee) contributions in certain cases.

"(f) Statute of limitations for State and local coverage.

"(g) Municipal and county hospitals.

"(h) Validation of coverage for certain Mississippi teachers.

"Sec. 103. Extension of the program to Guam and American Samoa.

"Sec. 104. Doctors of medicine.

"Sec. 105. Service of parent for son or daughter.

"Sec. 106. Employees of nonprofit organizations.

"Sec. 107. American citizen employees of foreign governments and international organizations.

"Sec. 108. Domestic service and casual labor.

"Title II—Eligibility for benefits

"Sec. 201. Children born or adopted after onset of parent's disability.

"Sec. 202. Continued dependency of stepchild on natural father.
 "Sec. 203. Payment of burial expenses.
 "Sec. 204. Fully insured status.
 "Sec. 205. Survivors of individuals who died prior to 1940 and of certain other individuals.

"Sec. 206. Crediting of quarters of coverage for years before 1951.

"Sec. 207. Time needed to acquire status of wife, child, or husband in certain cases.

"Sec. 208. Marriages subject to legal impediment.

"Sec. 209. Penalty deductions under foreign work test.

"Sec. 210. Extension of filing period for husband's, widower's, or parent's benefits in certain cases.

"Title III—Benefits amounts

"Sec. 301. Increase in insurance benefits of children of deceased workers.

"Sec. 302. Maximum family benefits in certain cases.

"Sec. 303. Computation and recomputations of primary insurance amounts.

"Sec. 304. Elimination of certain obsolete recomputations.

"Title IV—Disability insurance benefits and the disability freeze

"Sec. 401. Elimination of requirement of attainment of age fifty for disability insurance benefits.

"Sec. 402. Elimination of the waiting period for disability insurance benefits in certain cases.

"Sec. 403. Period of trial work by disabled individual.

"Sec. 404. Special insured status test in certain cases for disability purposes.

"Title V—Employment security

"Part 1—Short Title

"Sec. 501. Short title.

"Part 2—Employment Security Administrative Financing Amendments

"Sec. 521. Amendment of title IX of the Social Security Act.

"Sec. 901. Employment security administration account.

"Sec. 902. Transfers between Federal unemployment account and employment security administration account.

"Sec. 903. Amounts transferred to State accounts.

"Sec. 904. Unemployment Trust Fund.

"Sec. 522. Amendment of title XII of the Social Security Act.

"Sec. 1201. Advances to State unemployment funds.

"Sec. 1202. Repayment by States of advances to State unemployment funds.

"Sec. 1203. Advances to Federal unemployment account.

"Sec. 1204. Definition of Governor.

"Sec. 523. Amendments to the Federal Unemployment Tax Act.

"Sec. 524. Conforming amendments.

"Part 3—Extension of Coverage Under Unemployment Compensation Program

"Sec. 531. Federal instrumentalities.

"Sec. 532. American aircraft.

"Sec. 533. Feeder organizations, etc.

"Sec. 534. Fraternal beneficiary societies, agricultural organizations, voluntary employees' beneficiary association, etc.

"Sec. 535. Effective date.

"Part 4—Extension of Federal State Unemployment Compensation Program to Puerto Rico

"Sec. 541. Extension of titles III, IX, and XII of the Social Security Act.

"Sec. 542. Federal employees and ex-servicemen.

"Sec. 543. Extension of Federal Unemployment Tax Act.

"Title VI—Medical services for the aged

"Sec. 601. Establishment of program. (Title XVI of the Social Security Act.)

"Sec. 1601. Appropriation.

"Sec. 1602. State plans.

"Sec. 1603. Payments.

"Sec. 1604. Operation of State plans.

"Sec. 1605. Eligible individuals.

"Sec. 1606. Benefits.

"Sec. 1607. Benefit year.

"Sec. 602. Improvement of medical care for old age assistance recipients.

"Sec. 603. Planning grants to States.

"Sec. 604. Technical amendment.

"Title VII—Miscellaneous

"Sec. 701. Investment of Trust Funds.

"Sec. 702. Survival of actions.

"Sec. 703. Periods of limitation ending on nonwork days.

"Sec. 704. Advisory Council on Social Security Financing.

"Sec. 705. Medical care guides and reports for public assistance and medical services for the aged.

"Sec. 706. Temporary extension of certain special provisions relating to State plans for aid to the blind.

"Sec. 707. Maternal and child welfare.

"Sec. 708. Amendment preserving relationship between railroad retirement and old age, survivors, and disability insurance.

"Sec. 709. Meaning of term 'Secretary'.

And, in lieu thereof, to insert:

"TABLE OF CONTENTS

"Title I—Coverage

"Sec. 101. Extension of time for ministers to elect coverage.

"Sec. 102. State and local governmental employees.

"(a) Delegation by Governor of certification functions.

"(b) Employees transferred from one retirement system to another.

"(c) Retroactive coverage.

"(d) Policemen and firemen.

"(e) Limitation on States' liability for employer (and employee) contributions in certain cases.

"(f) Statute of limitations for State and local coverage.

"(g) Municipal and county hospitals.

"(h) Validation of coverage for certain Mississippi teachers.

"(i) Justices of the peace and constables in the State of Nebraska.

"(j) Teachers in the State of Maine.

"Sec. 103. Employees of nonprofit organizations.

"Sec. 104. American citizen employees of foreign governments.

"Sec. 105. Domestic service and casual labor.

"Title II—Eligibility for benefits

"Sec. 201. Children born or adopted after onset of parent's disability.

"Sec. 202. Continued dependency of stepchild on natural father.

"Sec. 203. Payment of burial expenses.

"Sec. 204. Technical amendments with respect to fully insured status.

"Sec. 205. Survivors of individuals who died prior to 1940 and of certain other individuals.

"Sec. 206. Crediting of quarters of coverage for years before 1951.

"Sec. 207. Marriages subject to legal impediment.

"Sec. 208. Penalty deductions under foreign work test.

"Sec. 209. Extension of filing period for husband's, widower's, or parent's benefits in certain cases.

"Sec. 210. Actuarially reduced benefits for men at age 62.

"Sec. 211. To increase the earned income limitation.

"Title III—Benefit amounts

"Sec. 301. Increase in insurance benefits of children of deceased workers.

"Sec. 302. Maximum family benefits in certain cases.

"Sec. 303. Computations and recomputations of primary insurance amounts.

"Sec. 304. Elimination of certain obsolete recomputations.

"Title IV—Disability insurance benefits and the disability freeze

"Sec. 401. Elimination of requirement of attainment of age fifty for disability insurance benefits.

"Sec. 402. Elimination of the waiting period for disability insurance benefits in certain cases.

"Sec. 403. Period of trial work by disabled individual.

"Sec. 404. Special insured status test in certain cases for disability purposes.

"Title V—Employment security

"Sec. 501. Amendments to title IX of the Social Security Act.

"Sec. 502. Amendment of title XII of the Social Security Act.

"Sec. 1201. Advances to State unemployment funds.

"Sec. 1202. Repayment by States of advances to State unemployment funds.

"Sec. 1203. Advances to Federal unemployment account.

"Sec. 1204. Definition of Governor.

"Sec. 503. Amendments to the Federal Unemployment Tax Act.

"Sec. 504. Conforming amendment.

"Title VI—Medical services for the aged

"Sec. 601. Amendments to title I of the Social Security Act.

"Sec. 602. Increase in Limitations on Assistance Payment to Puerto Rico, the Virgin Islands, and Guam.

"Sec. 603. Technical amendment.

"Sec. 604. Effective dates.

"Title VII—Miscellaneous

"Sec. 701. Investment of Trust Funds.

"Sec. 702. Survival of actions.

"Sec. 703. Periods of limitation ending on nonwork days.

"Sec. 704. Advisory Council on Social Security Financing.

"Sec. 705. Medical care guides and reports for public assistance and medical services for the aged.

"Sec. 706. Temporary extension of certain special provisions relating to State plans for aid to the blind.

"Sec. 707. Maternal and child welfare.

"Sec. 708. Amendment preserving relationship between railroad retirement and old-age, survivors, and disability insurance.

"Sec. 709. Meaning of term 'Secretary'.

"Sec. 710. Aid to the blind."

On page 6, line 16, after the word "be", to strike out "irrevocable." and insert "Irrevocable."; at the top of page 7, to insert:

"(B) Notwithstanding the first sentence of subparagraph (A), if an individual filed a certificate on or before the date of enactment of this subparagraph which (but for this subparagraph) is effective only for the first taxable year ending after 1956 and all succeeding taxable years, such certificate shall be effective for his first taxable year ending after 1955 and all succeeding taxable years if—

"(i) such individual files a supplemental certificate after the date of enactment of this subparagraph and on or before April 15, 1962,

"(ii) the tax under section 1401 in respect of all such individual's self-employment income (except for underpayments of tax attributable to errors made in good faith), for his first taxable year ending after 1955 is paid on or before April 15, 1962, and

"(iii) in any case where refund has been made of any such tax which (but for this subparagraph) is an overpayment, the amount refunded (including any interest paid under section 6611) is repaid on or before April 15, 1962. The provisions of section 6401 shall not apply to any payment or repayment described in this subparagraph."

On page 10, line 12, after "1402 (e)", to insert "(3) (B) or"; in line 18, after "1042 (e)", to insert "(3) (B) or"; on page 11, line 12, after "1402 (e)", to insert "(3) (B) or"; on page 17, line 3, after the word "before", to strike out "the first day of the year following the year in which this paragraph is enacted, or before the first day of" and insert "January 1, 1957, or before January of the third year preceding"; on page 29, after line 4, to insert:

"JUSTICES OF THE PEACE AND CONSTABLES IN THE STATE OF NEBRASKA

"(i) Notwithstanding any provision of section 218 of the Social Security Act, the agreement with the State of Nebraska entered into pursuant to such section may, at the option of such State, be modified so as to exclude services performed within such State by individuals as justices of the peace or constables, if such individuals are compensated for such services on a fee basis. Any modification of such agreement pursuant to this subsection shall be effective with respect to services performed after an effective date specified in such modification, except that such date shall not be earlier than the date of enactment of this Act."

After line 17, to insert:

"TEACHERS IN THE STATE OF MAINE

"(j) Section 316 of the Social Security Amendments of 1958 is amended by striking out 'July 1, 1960' and inserting in lieu thereof 'July 1, 1961'."

After line 21, to strike out:

"EXTENSION OF THE PROGRAM TO GUAM AND AMERICAN SAMOA

"Sec 103. (a) (1) (A) The next to the last sentence of section 202(1) of the Social Security Act is amended by striking out 'Puerto Rico, or the Virgin Islands' and inserting in lieu thereof 'the Commonwealth of Puerto Rico, the Virgin Islands, Guam, or American Samoa'.

"(B) The last sentence of such section 202(1) is amended by striking out 'and of such States, or the District of Columbia' and inserting in lieu thereof 'any State'.

"(2) Section 101(d) of the Social Security Act Amendments of 1950 and section 5(e) (2) of the Social Security Act Amendments of 1952 are each amended by striking out 'Puerto Rico, or the Virgin Islands' and inserting in lieu thereof 'the Commonwealth of Puerto Rico, the Virgin Islands, Guam, or American Samoa'.

"(b) Section 203(k) of the Social Security Act is amended by striking out 'Puerto Rico, or the Virgin Islands' and inserting in lieu thereof 'the Commonwealth of Puerto Rico, the Virgin Islands, Guam, or American Samoa', and by striking out 'Puerto Rico and the Virgin Islands' and inserting in lieu thereof 'the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa'.

"(c) Section 210(a) (7) of such Act is amended to read as follows:

"(7) Service performed in the employ of a State, or any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned thereby, except that this paragraph shall not apply in the case of—

"(A) service included under an agreement under section 218,

"(B) service which, under subsection (k), constitutes covered transportation service, or

"(C) service in the employ of the Government of Guam or the Government of American Samoa or any political subdivision thereof, or of any instrumentality of any one or more of the foregoing which is wholly owned thereby, performed by an officer or employee thereof (including a member of the legislature of any such Government or political subdivision), and, for purposes of this title—

"(i) any person whose service as such an officer or employee is not covered by a retirement system established by a law of the United States shall not, with respect to such service, be regarded as an officer or employee of the United States or any agency or instrumentality thereof, and

"(ii) the remuneration for service described in clause (i) (including fees paid to a public official) shall be deemed to have been paid by the Government of Guam or the Government of American Samoa or by a political subdivision thereof or an instrumentality of any one or more of the foregoing which is wholly owned thereby, whichever is appropriate;".

"(d) Section 210(a) of such Act is further amended—

"(1) by striking out 'or' at the end of paragraph (16),

"(2) by striking out the period at the end of paragraph (17) and inserting in lieu thereof a semicolon, and

"(3) by adding at the end thereof the following new paragraph:

"(18) Service performed in Guam by a resident of the Republic of the Philippines while in Guam on a temporary basis as a nonimmigrant alien admitted to Guam pursuant to section 101(a) (15) (H) (ii) of the Immigration and Nationality Act (8 U.S.C. 1101(a) (15) (H) (ii)); or."

"(e) Section 210(h) of such Act is amended to read as follows:

"State

"(h) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa."

"(f) Section 210(i) of such Act is amended to read as follows:

"United States

"(i) The term 'United States' when used in a geographical sense means the States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa."

"(g) (1) Section 211(a) of such Act is amended by striking out the period at the end of paragraph (7) and inserting in lieu thereof 'and', and by inserting after paragraph (7) the following new paragraph:

"(8) The term 'possession of the United States' as used in sections 931 (relating to income from sources within possessions of the United States) and 932 (relating to citizens of possessions of the United States) of the Internal Revenue Code of 1954 shall be deemed not to include the Virgin Islands, Guam, or American Samoa."

"(2) Clauses (v) and (vi) in the last sentence of section 211(a) of such Act are each amended by striking out 'paragraphs (1) through (6)' and inserting in lieu thereof 'paragraphs (1) through (6) and paragraph (8)'."

"(h) Section 211(b) of such Act is amended by striking out the last two sentences and inserting in lieu thereof the following:

"'An individual who is not a citizen of the United States but who is a resident of the Commonwealth of Puerto Rico, the Virgin Islands, Guam, or American Samoa shall not, for the purposes of this subsection, be considered to be a nonresident alien individual.'"

"(i) Section 218(b) (1) of such Act is amended by inserting 'Guam, or American Samoa' immediately before the period at the end thereof.

"(j) (1) Section 219 of such Act is repealed.

"(2) (A) Section 210(j) of such Act is repealed.

"(B) Subsections (k) through (o) of section 210 of such Act are redesignated as subsections (j) through (n), respectively.

"(C) Sections 202(1), 215(h), (1), and 217(e) (1), and the last paragraph of section 209, are each amended by striking out 'section 210(m) (1)' and inserting in lieu thereof 'section 210(1) (1)'."

"(D) Section 202(t) (4) (D) of such Act is amended—

"(i) by striking out 'section 210(m) (2)', 'section 210(m) (3)', and 'section 210(m) (2) and (3)' and inserting in lieu thereof 'section 210(1) (2)', 'section 210(1) (3)', and 'section 210(1) (2) and (3)', respectively; and

"(ii) by striking out 'section 210(n)' each place it appears and inserting in lieu thereof 'section 210(m)'."

"(E) Section 205(p) (1) of such Act is amended by striking out 'subsection (m) (1)' and inserting in lieu thereof 'subsection (1) (1)'."

"(F) Section 209(j) of such Act is amended by striking out 'section 210(k) (3) (C)' and inserting in lieu thereof 'section 210(j) (3) (C)'."

"(G) Section 218(c) (6) (C) of such Act is amended by striking out 'section 210(1)' and inserting in lieu thereof 'section 210(k)'."

"(3) Section 211(a) (6) of such Act is amended to read as follows:

"(6) A resident of the Commonwealth of Puerto Rico shall compute his net earnings from self employment in the same manner as a citizen of the United States but without regard to the provisions of section 933 of the Internal Revenue Code of 1954;."

"(k) (1) Section 1402(a) of the Internal Revenue Code of 1954 (relating to definition of net earnings from self-employment) is amended by striking out the period at the end of paragraph (8) and inserting in lieu thereof 'and', and by inserting after paragraph (8) the following new paragraph:

"(9) the term 'possession of the United States' as used in sections 931 (relating to income from sources within possessions of the United States) and 932 (relating to citizens of possessions of the United States) shall be deemed not to include the Virgin Islands, Guam, or American Samoa."

"(2) Clauses (v) and (vi) in the last sentence of such section 1402(a) are each amended by striking out 'paragraphs (1) through (7)' and inserting in lieu thereof 'paragraphs (1) through (7) and paragraph (9)'."

"(1) The last sentence of section 1402(b) of such Code (relating to definition of self-employment income) is amended by striking out 'the Virgin Islands or a resident of Puerto Rico' and inserting in lieu thereof 'the Commonwealth of Puerto Rico, the Virgin Islands, Guam, or American Samoa'."

"(m) Section 1403(b)(2) of such Code (relating to cross references) is amended by inserting 'Guam, American Samoa,' after 'Virgin Islands'."

"(n) Section 3121(b)(7) of such Code (relating to definition of employment) is amended to read as follows:

"(7) service performed in the employ of a State or any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned thereby, except that this paragraph shall not apply in the case of—

"(A) service which, under subsection (j), constitutes covered transportation service, or

"(B) service in the employ of the Government of Guam or the Government of American Samoa or any political subdivision thereof, or of any instrumentality of any one or more of the foregoing which is wholly owned thereby, performed by an officer or employee thereof (including a member of the legislature of any such Government or political subdivision), and, for purposes of this title with respect to the taxes imposed by this chapter—

"(i) any person whose service as such an officer or employee is not covered by a retirement system established by a law of the United States shall not, with respect to such service, be regarded as an employee of the United States or any agency or instrumentality thereof, and

"(ii) the remuneration for service described in clause (i) (including fees paid to a public official) shall be deemed to have been paid by the Government of Guam or the Government of American Samoa or by a political subdivision thereof or an instrumentality of any one or more of the foregoing which is wholly owned thereby, whichever is appropriate;."

"(o) Section 3121(b) of such Code is further amended—

"(1) by striking out 'or' at the end of paragraph (16),

"(2) by striking out the period at the end of paragraph (17) and inserting in lieu thereof a semicolon, and

"(3) by adding at the end thereof the following new paragraph:

"(18) service performed in Guam by a resident of the Republic of the Philippines while in Guam on a temporary basis as a nonimmigrant alien admitted to Guam pursuant to section 101(a)(15)(H)(ii) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(ii)); or."

"(p) Section 3121(c) of such Code (relating to definition of State, United States, and citizen) is amended to read as follows:

"(c) STATE, UNITED STATES, AND CITIZEN.—For purposes of this chapter.

"(1) STATE.—The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

"(2) UNITED STATES.—The term "United States" when used in a geographical sense includes the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

An individual who is a citizen of the Commonwealth of Puerto Rico (but not otherwise a citizen of the United States) shall

be considered, for purposes of this section, as a citizen of the United States."

"(q)(1) Subchapter C of chapter 21 of such Code (general provisions relating to tax under Federal Insurance Contributions Act) is amended by redesignating section 3125 as section 3126, and by inserting after section 3124 the following new section:

"SEC. 3125. RETURNS IN THE CASE OF GOVERNMENTAL EMPLOYEES IN GUAM AND AMERICAN SAMOA.

"(a) GUAM.—The return and payment of the taxes imposed by this chapter on the income of individuals who are officers or employees of the Government of Guam or any political subdivision thereof or of any instrumentality of any one or more of the foregoing which is wholly owned thereby, and those imposed on such Government or political subdivision or instrumentality with respect to having such individuals in its employ, may be made by the Governor of Guam or by such agents as he may designate. The person making such return may, for convenience of administration, make payments of the tax imposed under section 3111 with respect to the service of such individuals without regard to the \$4,800 limitation in section 3121(a)(1).

"(b) AMERICAN SAMOA.—The return and payment of the taxes imposed by this chapter on the income of individuals who are officers or employees of the Government of American Samoa or any political subdivision thereof or of any instrumentality of any one or more of the foregoing which is wholly owned thereby, and those imposed on such Government or political subdivision or instrumentality with respect to having such individuals in its employ, may be made by the Governor of American Samoa or by such agents as he may designate. The person making such return may, for convenience of administration, make payments of the tax imposed under section 3111 with respect to the service of such individuals without regard to the \$4,800 limitation in section 3121(a)(1).

"(2) The table of sections for such subchapter C is amended by striking out

"Sec. 3125. Short title."

and inserting in lieu thereof:

"Sec. 3125. Returns in the case of governmental employees in Guam and American Samoa.

"Sec. 3126. Short title."

"(r)(1) Section 6205(a) of such Code (relating to adjustment of tax) is amended by adding at the end thereof the following new paragraph:

"(3) GUAM OR AMERICAN SAMOA AS EMPLOYER.—For purposes of this subsection, in the case of remuneration received during any calendar year from the Government of Guam, the Government of American Samoa, a political subdivision of either, or any instrumentality of any one or more of the foregoing which is wholly owned thereby, the Governor of Guam, the Governor of American Samoa, and each agent designated by either who makes a return pursuant to section 3125 shall be deemed a separate employer."

"(2) Section 6413(a) of such Code (relating to adjustment of tax) is amended by adding at the end thereof the following new paragraph:

"(3) GUAM OR AMERICAN SAMOA AS EMPLOYER.—For purposes of this subsection, in the case of remuneration received during any calendar year from the Government of Guam, the Government of American Samoa, a political subdivision of either, or any instrumentality of any one or more of the foregoing which is wholly owned thereby, the Governor of Guam, the Governor of American Samoa, and each agent designated by

either who makes a return pursuant to section 3125 shall be deemed a separate employer."

"(3) Section 6413(c)(2) of such Code (relating to applicability of special rules to certain employment taxes) is amended by adding at the end thereof the following new subparagraphs:

"(D) GOVERNMENTAL EMPLOYEES IN GUAM.—In the case of remuneration received from the Government of Guam or any political subdivision thereof or from any instrumentality of any one or more of the foregoing which is wholly owned thereby, during any calendar year, the Governor of Guam and each agent designated by him who makes a return pursuant to section 3125 (a) shall, for purposes of this subsection, be deemed a separate employer.

"(E) GOVERNMENTAL EMPLOYEES IN AMERICAN SAMOA.—In the case of remuneration received from the Government of American Samoa or any political subdivision thereof or from any instrumentality of any one or more of the foregoing which is wholly owned thereby, during any calendar year, the Governor of American Samoa and each agent designated by him who makes a return pursuant to section 3125(b) shall, for purposes of this subsection, be deemed a separate employer."

"(4) The heading of such section 6413(c)(2) is amended by striking out 'AND EMPLOYEES OF CERTAIN FOREIGN CORPORATIONS' and inserting in lieu thereof 'EMPLOYEES OF CERTAIN FOREIGN CORPORATIONS, AND GOVERNMENTAL EMPLOYEES IN GUAM AND AMERICAN SAMOA.'

"(s) Section 7213 of such Code (relating to unauthorized disclosure of information) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) DISCLOSURES BY CERTAIN DELEGATES OF SECRETARY.—All provisions of law relating to the disclosure of information, and all provisions of law relating to penalties for unauthorized disclosure of information, which are applicable in respect of any function under this title when performed by an officer or employee of the Treasury Department are likewise applicable in respect of such function when performed by any person who is a "delegate" within the meaning of section 7701(a)(12)(B)."

"(t) Section 7701(a)(12) of such Code (relating to definition of delegate) is amended to read as follows:

"(12) DELEGATE.—

"(A) IN GENERAL.—The term "Secretary or his delegate" means the Secretary of the Treasury, or any officer, employee, or agency of the Treasury Department duly authorized by the Secretary (directly, or indirectly by one or more redelegations of authority) to perform the function mentioned or described in the context, and the term "or his delegate" when used in connection with any other official of the United States shall be similarly construed.

"(B) PERFORMANCE OF CERTAIN FUNCTIONS IN GUAM OR AMERICAN SAMOA.—The term "delegate", in relation to the performance of functions in Guam or American Samoa with respect to the taxes imposed by chapters 2 and 21, also includes any officer or employee of any other department or agency of the United States, or of any possession thereof, duly authorized by the Secretary (directly, or indirectly by one or more redelegations of authority) to perform such functions."

"(u) Section 30 of the Organic Act of Guam (48 U.S.C., sec. 1421h) is amended by inserting before the period at the end thereof the following: "except that nothing in this Act shall be construed to apply to any tax imposed by chapter 2 or 21 of the Internal Revenue Code of 1954."

"(v)(1) The amendments made by subsection (a) shall apply only with respect to reinterments after the date of the enactment of this Act. The amendments made by subsections (b), (c), and (f) shall apply only with respect to service performed after 1960; except that insofar as the carrying on of a trade or business (other than performance of service as an employee) is concerned, such amendments shall apply only in the case of taxable years beginning after 1960. The amendments made by subsections (d), (i), (o), and (p) shall apply only with respect to service performed after 1960. The amendments made by subsections (h) and (l) shall apply only in the case of taxable years beginning after 1960. The amendments made by subsections (c), (n), (q), and (r) shall apply only with respect to (1) service in the employ of the Government of Guam or any political subdivision thereof, or any instrumentality of any one or more of the foregoing wholly owned thereby, which is performed after 1960 and after the calendar quarter in which the Secretary of the Treasury receives a certification by the Governor of Guam that legislation has been enacted by the Government of Guam expressing its desire to have the insurance system established by title II of the Social Security Act extended to the officers and employees of such Government and such political subdivisions and instrumentalities, and (2) service in the employ of the Government of American Samoa or any political subdivision thereof, or any instrumentality of any one or more of the foregoing wholly owned thereby, which is performed after 1960 and after the calendar quarter in which the Secretary of the Treasury receives a certification by the Governor of American Samoa that the Government of American Samoa desires to have the insurance system established by such title II extended to the officers and employees of such Government and such political subdivisions and instrumentalities. The amendments made by subsections (g) and (k) shall apply only in the case of taxable years beginning after 1960, except that, insofar as they involve the nonapplication of section 932 of the Internal Revenue Code of 1954 to the Virgin Islands for purposes of chapter 2 of such Code and section 211 of the Social Security Act, such amendments shall be effective in the case of all taxable years with respect to which such chapter 2 (and corresponding provisions of prior law) and such section 211 are applicable. The amendments made by subsections (j), (s), and (t) shall take effect on the date of the enactment of this Act; and there are authorized to be appropriated such sums as may be necessary for the performance by any officer or employee of functions delegated to him by the Secretary of the Treasury in accordance with the amendment made by such subsection (t).

"(2) The amendments made by subsections (c) and (n) shall have application only as expressly provided therein, and determinations as to whether an officer or employee of the Government of Guam or the Government of American Samoa or any political subdivision thereof, or of any instrumentality of any one or more of the foregoing which is wholly owned thereby, is an employee of the United States or any agency or instrumentality thereof within the meaning of any provision of law not affected by such amendments, shall be made without any inferences drawn from such amendments.

"(3) The repeal (by subsection (j)(1)) of section 219 of the Social Security Act, and the elimination (by subsections (c), (f), (h), (j)(2), and (j)(3)) of other provisions of such Act making reference to such section 219, shall not be construed as changing or otherwise affecting the effective date specified in such section for the extension

to the Commonwealth of Puerto Rico of the insurance system under title II of such Act, the manner or consequences of such extension, or the status of any individual with respect to whom the provisions so eliminated are applicable.

"Doctors of Medicine

"Sec. 104. (a) (1) Section 211(c)(5) of the Social Security Act is amended to read as follows:

"(5) The performance of service by an individual in the exercise of his profession as a Christian Science practitioner."

"(2) Section 211(c) of such Act is further amended by striking out the last two sentences and inserting in lieu thereof the following:

"The provisions of paragraph (4) or (5) shall not apply to service (other than service performed by a member of a religious order who has taken a vow of poverty as a member of such order) performed by an individual during the period for which a certificate filed by him under section 1402(e) of the Internal Revenue Code of 1954 is in effect."

"(b) Section 210(a)(6)(C)(iv) of such Act is amended by striking out all that follows '1947' and inserting in lieu thereof '(relating to certain student employees of hospitals of the Federal Government; 5 U.S.C. 1052), other than as a medical or dental intern or a medical or dental resident in training:'."

"(c) Section 210(a)(13) of such Act is amended by striking out all that follows the first semicolon.

"(d) (1) Section 1402(c)(5) of the Internal Revenue Code of 1954 (relating to definition of trade or business) is amended to read as follows:

"(5) the performance of service by an individual in the exercise of his profession as a Christian Science practitioner."

"(2) Section 1402(c) of such Code is further amended by striking out the last two sentences and inserting in lieu thereof the following:

"The provisions of paragraph (4) or (5) shall not apply to service (other than service performed by a member of a religious order who has taken a vow of poverty as a member of such order) performed by an individual during the period for which a certificate filed by him under subsection (e) is in effect."

"(e) (1) Section 1402(e)(1) of such Code (relating to filing of waiver certificate by ministers, members of religious orders, and Christian Science practitioners) is amended by striking out 'extended to service' and all that follows and inserting in lieu thereof 'extended to service described in subsection (c)(4) or (c)(5) performed by him.'

"(2) Clause (A) of section 1402(e)(2) of such Code (relating to time for filing waiver certificate) is amended to read as follows: '(A) the due date of the return (including any extension thereof) for his second taxable year ending after 1954 for which he has net earnings from self-employment (computed without regard to subsections (c)(4) and (c)(5)) of \$400 or more, any part of which was derived from the performance of service described in subsection (c)(4) or (c)(5); or'."

"(f) Section 3121(b)(6)(C)(iv) of such Code (relating to definition of employment) is amended by striking out all that follows '1947' and inserting in lieu thereof '(relating to certain student employees of hospitals of the Federal Government; 5 U.S.C. 1052), other than as a medical or dental intern or a medical or dental resident in training.'

"(g) Section 3121(b)(13) of such Code is amended by striking out all that follows the first semicolon.

"(h) The amendments made by subsections (a), (d), and (e) shall apply only with respect to taxable years ending on or after December 31, 1960. The amendments made

by subsections (b), (c), (f), and (g) shall apply only with respect to services performed after 1960.

"Service of Parent for Son or Daughter

"Sec. 105. (a) Section 210(a)(3) of the Social Security Act is amended to read as follows:

"(3)(A) Service performed by an individual in the employ of his spouse, and service performed by a child under the age of twenty-one in the employ of his father or mother;

"(B) Service not in the course of the employer's trade or business, or domestic service in a private home of the employer, performed by an individual in the employ of his son or daughter;."

"(b) Section 3121(b)(3) of the Internal Revenue Code of 1954 (relating to definition of employment) is amended to read as follows:

"(3)(A) service performed by an individual in the employ of his spouse, and service performed by a child under the age of 21 in the employ of his father or mother;

"(B) service not in the course of the employer's trade or business, or domestic service in a private home of the employer, performed by an individual in the employ of his son or daughter;."

"(c) The amendments made by subsections (a) and (b) shall apply only with respect to services performed after 1960."

On page 51, at the beginning of line 15, to change the section number from "106" to "103"; on page 58, after line 18, to strike out:

"(d) (1) Section 3121(h) of such Code (relating to definition of American employer) is amended by striking out 'or' at the end of paragraph (4), by striking out the period at the end of paragraph (5) and inserting in lieu thereof ', or', and by adding at the end thereof the following new paragraph:

"(6) a labor organization created or organized in the Canal Zone, if such organization is chartered by a labor organization (described in section 501(c)(5) and exempt from tax under section 501(a)) created or organized in the United States."

"(2) Section 210(e) of the Social Security Act is amended by striking out 'or (6)' and inserting in lieu thereof '(6)', and by inserting before the period at the end thereof the following: ', or (7) a labor organization created or organized in the Canal Zone, if such organization is chartered by a labor organization (described in section 501(c)(5) of the Internal Revenue Code of 1954 and exempt from tax under section 501(a) of such Code) created or organized in the United States.'"

"(3) For purposes of title II of the Social Security Act, if—

"(A) a citizen of the United States is paid remuneration for service performed after 1954 and before 1961 as an employee of an American employer (as defined in section 210(e)(7) of such Act);

"(B) amounts are paid, as taxes imposed by sections 3101 and 3111 of the Internal Revenue Code of 1951, with respect to any part of the remuneration paid in any calendar quarter to such individual for such service and part of such amounts have been paid before the date of the enactment of this Act; and

"(C) no claim for credit or refund of such amounts paid with respect to such calendar quarter (other than a claim which would be allowed if such services constituted employment for purposes of chapter 21 of such Code) is filed prior to the expiration of the period prescribed in section 6511 for filing claim for credit or refund.

then the remuneration paid in such calendar quarter with respect to which such amounts are timely paid shall be deemed to constitute remuneration for employment."

On page 60, at the beginning of line 10, to strike out "(c)" and insert "(d)"; after line 13, to strike out:

"(2) The amendments made by paragraphs (1) and (2) of subsection (d) shall be effective with respect to service performed after December 31, 1960."

At the beginning of line 17, to strike out "(3)" and insert "(2)"; in line 20, after the word "subsections", to strike out "(b), (c), and (d)" and insert "(b) and (c)"; on page 61, in the heading, in line 2, to strike out "AND INTERNATIONAL ORGANIZATIONS"; at the beginning of line 3, to change the section number from "107" to "104"; at the beginning of line 12, to strike out "(11)," and insert "(11) or"; in the same line, after "(12)", to strike out the comma and "or (15)"; on page 62, at the beginning of line 1, to strike out "(11)," and insert "(11) or"; in the same line, after "(12)", to strike out "or (15)"; after line 13, to strike out:

"SEC. 108. (a) Paragraphs (2) and (3) of section 209(g) of the Social Security Act are each amended by striking out "\$50" and inserting in lieu thereof "\$25."

At the beginning of line 17, to strike out "(b)" and insert "Sec. 105. (a)"; in line 18, after the word "paragraph", to strike out "(18) (added by section 103 of this Act)" and insert "(17)"; at the beginning of line 20, to strike out "(19)" and insert "(18)"; after line 23, to strike out:

"(c) Subparagraphs (B) and (C) of section 3121(a) (7) of the Internal Revenue Code of 1954 (relating to definition of wages) are each amended by striking out "\$50" and inserting in lieu thereof "\$25."

On page 63, at the beginning of line 3, to strike out "(d)" and insert "(b)"; in line 5, after the word "paragraph", to strike out "(18) (added by section 103 of this Act)" and insert "(17)"; at the beginning of line 7, to strike out "(19)" and insert "(18)"; at the beginning of line 11, to strike out "(e)" and insert "(c)"; in the same line, after the amendment just above stated, to strike out "The amendments made by subsections (a) and (c) shall apply only with respect to remuneration paid after 1960."; in line 13, after the word "subsections", to strike out "(b) and (d)" and insert "(a) and (b)"; on page 64, line 12, after the word "he", to insert "(A)"; in line 14, after the word "or", to insert "(B)"; in line 18, after the word "benefits", to insert a comma and "but only if (i) proceedings for such adoption of the child had been instituted by such individual in or before the month in which began the period of disability of such individual which still exists at the time of such adoption or (ii) such adopted child was living with such individual in such month."; at the top of page 68, in the heading, to insert "TECHNICAL AMENDMENTS WITH RESPECT TO"; in line 9, after the word "each", to strike out "four" and insert "two"; on page 69, line 2, after the word "of", where it appears the first time, to strike out "four" and insert "two"; in line 3, after the word "of", to strike out "four" and insert "two"; on page 74, after line 21, to strike out:

"TIME NEEDED TO ACQUIRE STATUS OF WIFE, CHILD, OR HUSBAND IN CERTAIN CASES"

"SEC. 207. (a) Section 216(b) of the Social Security Act is amended by striking out 'not less than three years immediately preceding the day on which her application is filed' and inserting in lieu thereof 'not less than one year immediately preceding the day on which her application is filed'."

"(b) The first sentence of section 216 (e) of such Act is amended to read as follows: 'The term "child" means (1) the child or legally adopted child of an individual, and (2) a stepchild who has been such stepchild for not less than one year immediately preceding the day on which application for child's insurance benefits is filed or (if the insured individual is deceased) the day on which such individual died.'

"(c) Section 216(f) of such Act is amended by striking out 'not less than three years

immediately preceding the day on which his application is filed' and inserting in lieu thereof 'not less than one year immediately preceding the day on which his application is filed'."

"(d) The amendments made by this section shall apply only with respect to monthly benefits under section 202 of the Social Security Act for months beginning with the month in which this Act is enacted on the basis of applications filed in or after such month."

On page 75, at the beginning of line 23, to change the section number from "208" to "207"; on page 81, at the beginning of line 8, to change the section number from "209" to "208"; at the beginning of line 19, to change the section number from "210" to "209"; on page 82, after line 18, to insert:

"ACTUARIALLY REDUCED BENEFITS FOR MEN AT AGE 62"

"SEC. 210. (a) Section 216(a) of the Social Security Act is amended to read as follows:

"Retirement age"

"(a) The term "retirement age" means age sixty-two."

"(b) Subsections (q), (r), and (s) of section 202 of such Act are amended to read as follows:

"Adjustment of old-age, wife's, and husband's insurance benefit amounts in accordance with age of beneficiary"

"(q) (1) The old-age insurance benefit of any individual for any month prior to the month in which such individual attains the age of sixty-five shall be reduced by—

"(A) five-ninths of 1 per centum, multiplied by

"(B) the number equal to the number of months in the period beginning with the first day of the first month for which such individual is entitled to an old-age insurance benefit and ending with the last day of the month before the month in which such individual would attain the age of sixty-five.

"(2) The wife's or husband's insurance benefit of any individual for any month after the month preceding the month in which such individual attains retirement age and prior to the month in which such individual attains the age of sixty-five shall be reduced by—

"(A) twenty-five thirty-sixths of 1 per centum, multiplied by

"(B) the number equal to the number of months in the period beginning with the first day of the first month for which such individual is entitled to such wife's or husband's (as the case may be) insurance benefit and ending with the last day of the month before the month in which such individual would attain the age of sixty-five, except that in no event shall such period start earlier than the first day of the month in which such individual attains retirement age.

In the case of an individual entitled to wife's insurance benefits, the preceding provisions of this paragraph shall not apply to the benefit for any month in which such individual has in her care (individually or jointly with the individual on whose wages and self-employment income her wife's insurance benefit is based) a child entitled to child's insurance benefits on the basis of such wages and self-employment income. With respect to any month in the period specified in clause (B) of the first sentence of this paragraph, if (in the case of an individual entitled to wife's insurance benefits) such individual does not have in such month such a child in her care (individually or jointly with the individual on whose wages and self-employment income her wife's insurance benefit is based), she shall be deemed to have such a child in her care in such month for the purposes of the

preceding sentence unless there is in effect for such month a certificate filed by her with the Secretary, in accordance with regulations prescribed by him, in which she elects to receive wife's insurance benefits reduced as provided in this subsection. Any certificate filed pursuant to the preceding sentence shall be effective for purposes of such sentence—

"(1) for the month in which it is filed, and for any month thereafter, if in such month she does not have such a child in her care (individually or jointly with the individual on whose wages and self-employment income her wife's insurance benefit is based), and

"(ii) for the period of one or more consecutive months (not exceeding twelve) immediately preceding the month in which such certificate is filed which is designated by her (not including as part of such period any month in which she had such a child in her care (individually or jointly with the individual on whose wages and self-employment income her wife's insurance benefit is based)).

If such a certificate is filed, the period referred to in clause (B) of the first sentence of this paragraph shall commence with the first day of the first month (i) for which such individual is entitled to a wife's insurance benefit, (ii) which occurs after the month preceding the month in which she attains retirement age, and (iii) for which such certificate is effective.

"(3) In the case of any individual who is entitled to an old-age insurance benefit to which paragraph (1) is applicable and who, for the first month for which such individual is so entitled (but not for any prior month) or for any later month occurring before the month in which such individual attains the age of sixty-five, is entitled to a wife's or husband's insurance benefit to which paragraph (2) is applicable, the amount of such wife's or husband's insurance benefit for any month prior to the month in which such individual attains the age of sixty-five shall, in lieu of the reduction provided in paragraph (2), be reduced by the sum of—

"(A) an amount equal to the amount by which such old-age insurance benefit for such month is reduced under paragraph (1), plus

"(B) an amount equal to—

"(i) the number equal to the number of months specified in clause (B) of paragraph (2), multiplied by

"(ii) twenty-five thirty-sixths of 1 per centum, and further multiplied by

"(iii) the excess of such wife's or husband's insurance benefit (as the case may be) prior to reduction under this subsection over the old-age insurance benefit prior to reduction under this subsection.

"(4) In the case of any individual who is or was entitled to a wife's or husband's insurance benefit to which paragraph (2) is applicable and who, for any month after the first month for which such individual is or was so entitled (but not for such first month or any earlier month) occurring before the month in which such individual attains the age of sixty-five, is entitled to an old-age insurance benefit, the amount of such old-age insurance benefit for any month prior to the month in which such individual attains the age of sixty-five shall, in lieu of the reduction provided in paragraph (1), be reduced by the sum of—

"(A) an amount equal to the amount by which such wife's or husband's (as the case may be) insurance benefit is reduced under paragraph (2) for such month (or, if such individual is not entitled to a wife's or husband's insurance benefit for such month, by an amount equal to the amount by which such benefit was reduced for the last month for which such individual was entitled to such a benefit), plus

"(B) if the old-age insurance benefit for such month prior to reduction under this subsection exceeds such wife's or husband's (as the case may be) insurance benefit prior to reduction under this subsection, an amount equal to—

"(i) the number equal to the number of months specified in clause (B) of paragraph (1), multiplied by

"(ii) five-ninths of 1 per centum, and further multiplied by

"(iii) the excess of such old-age insurance benefit over such wife's or husband's (as the case may be) insurance benefit.

"(5) In the case of any individual who is entitled to an old-age insurance benefit for the month in which such individual attains the age of sixty-five or any month thereafter, such benefit for such month shall, if such individual was also entitled to such benefit for any one or more months prior to the month in which such individual attained the age of sixty-five and such benefit for any such prior month was reduced under paragraph (1) or (4), be reduced as provided in such paragraph, except that there shall be subtracted, from the number specified in clause (B) of such paragraph—

"(A) the number equal to the number of months for which such benefit was reduced under such paragraph, but for which such benefit was subject to deductions under paragraph (1) or (2) of section 203(b), and except that, in the case of any such benefit reduced under paragraph (4), there also shall be subtracted from the number specified in clause (B) of paragraph (2), for the purpose of computing the amount referred to in clause (A) of paragraph (4)—

"(B) the number equal to the number of months for which the wife's or husband's (as the case may be) insurance benefit was reduced under such paragraph (2), but for which such benefit was subject to deductions under paragraph (1) or (2) of section 203(b), under section 203(c), or under section 222(b),

"(C) in the case of a wife's insurance benefit, the number equal to the number of months occurring after the first month for which such benefit was reduced under paragraph (2) in which such individual had in her care (individually or jointly with the individual on whose wages and self-employment income such benefit is based) a child of such individual entitled to child's insurance benefits, and

"(D) the number equal to the number of months for which such wife's or husband's (as the case may be) insurance benefit was reduced under such paragraph (2), but in or after which such individual's entitlement to wife's or husband's insurance benefits was terminated because such individual's spouse ceased to be under a disability, not including in such number of months any month after such termination in which such individual was entitled to wife's or husband's insurance benefits. Such subtraction shall be made only if the total of such months specified in clauses (A), (B), (C), and (D) of the preceding sentence is not less than three. For purposes of clauses (B) and (C) of this paragraph, the wife's or husband's insurance benefit of an individual shall not be considered terminated for any reason prior to the month in which such individual attains the age of sixty-five.

"(6) In the case of any individual who is entitled to a wife's or husband's insurance benefit for the month in which such individual attains the age of sixty-five or any month thereafter, such benefit for such month shall, if such individual was also entitled to such benefit for any one or more months prior to the month in which such individual attained the age of sixty-five and such benefit for any such prior month was reduced under paragraph (2) or (3), be reduced as provided in such paragraph, except that there shall be subtracted from

the number specified in clause (B) of such paragraph—

"(A) the number equal to the number of months for which such benefit was reduced under such paragraph, but for which such benefit was subject to deductions under section 203(b) (1) or (2), under section 203(c), or under section 222(b),

"(B) in the case of a wife's insurance benefit, the number equal to the number of months, occurring after the first month for which such benefit was reduced under such paragraph, in which such individual had in her care (individually or jointly with the individual on whose wages and self-employment income such benefit is based) a child of such individual entitled to child's insurance benefits, and

"(C) the number equal to the number of months for which such wife's or husband's (as the case may be) insurance benefit was reduced under such paragraph, but in or after which such individual's entitlement to wife's or husband's insurance benefits was terminated because such individual's spouse ceased to be under a disability, not including in such number of months any month after such termination in which such individual was entitled to wife's or husband's insurance benefits, and except that, in the case of any such benefit reduced under paragraph (3), there also shall be subtracted from the number specified in clause (B) of paragraph (1), for the purpose of computing the amount referred to in clause (A) of paragraph (3)—

"(D) the number equal to the number of months for which the old-age insurance benefit was reduced under such paragraph (1) but for which such benefit was subject to deductions under paragraph (1) or (2) of section 203(b).

Such subtraction shall be made only if the total of such months specified in clauses (A), (B), (C), and (D) of the preceding sentence is not less than three.

"(7) In the case of an individual who is entitled to an old-age insurance benefit to which paragraph (5) is applicable and who, for the month in which such individual attains the age of sixty-five (but not for any prior month) or for any later month, is entitled to a wife's or husband's insurance benefit, the amount of such wife's or husband's insurance benefit for any month shall be reduced by an amount equal to the amount by which the old-age insurance benefit is reduced under paragraph (5) for such month.

"(8) In the case of an individual who is or was entitled to a wife's or husband's insurance benefit to which paragraph (2) was applicable and who, for the month in which such individual attains the age of sixty-five (but not for any prior month) or for any later month, is entitled to an old-age insurance benefit, the amount of such old-age insurance benefit for any month shall be reduced by an amount equal to the amount by which the wife's or husband's (as the case may be), insurance benefit is reduced under paragraph (6) for such month (or, if such individual is not entitled to a wife's or husband's insurance benefit for such month, by (i) an amount equal to the amount by which such benefit for the last month for which such individual was entitled thereto was reduced, or (ii) if smaller, an amount equal to the amount by which such benefit would have been reduced under paragraph (6) for the month in which such individual attained the age of sixty-five if entitlement to such benefit had not terminated before such month).

"(9) The preceding paragraphs shall be applied to old-age insurance benefits, wife's insurance benefits, and husband's insurance benefits after reduction under section 203(a) and application of section 215(g). If the amount of any reduction computed under paragraph (1), under paragraph (2), under

clause (A) or clause (B) of paragraph (3), or under clause (A) or clause (B) of paragraph (4) is not a multiple of \$0.10, it shall be reduced to the next lower multiple of \$0.10.

"Presumed filing of application by individual eligible for old-age and wife's or husband's insurance benefits

"(r) Any individual who becomes entitled to an old-age insurance benefit for any month prior to the month in which such individual attains the age of sixty-five and who is eligible for a wife's or husband's insurance benefit for the same month shall be deemed to have filed an application in such month for wife's or husband's (as the case may be) insurance benefits. Any individual who becomes entitled to a wife's or husband's insurance benefit for any month prior to the month in which such individual attains the age of sixty-five and who is eligible for an old-age insurance benefit for the same month shall be deemed, unless (in the case of an individual entitled to wife's insurance benefits) such individual has in such month in her care (individually or jointly with the individual on whose wages and self-employment income her wife's insurance benefits are based) a child entitled to child's insurance benefits on the basis of such wages and self-employment income, to have filed an application in such month for old-age insurance benefits. For purposes of this subsection an individual shall be deemed eligible for a benefit for a month if, upon filing application therefor in such month, such individual would have been entitled to such benefit for such month.

"Disability insurance beneficiary

"(s) (1) If any individual becomes entitled to a widow's insurance benefit, widow's insurance benefit, or parent's insurance benefit for a month before the month in which such individual attains the age of sixty-five, or becomes entitled to an old-age insurance benefit, wife's insurance benefit, or husband's insurance benefit for a month before the month in which such individual attains the age of sixty-five which is reduced under the provisions of subsection (q), such individual may not thereafter become entitled to disability insurance benefits under this title.

"(2) If an individual would, but for the provisions of subsection (k) (2) (B), be entitled for any month to a disability insurance benefit and to a wife's or husband's insurance benefit, subsection (q) shall be applicable to such wife's or husband's insurance benefit (as the case may be) for such month only to the extent it exceeds such disability insurance benefit for such month.

"(3) The entitlement of any individual to disability insurance benefits shall terminate with the month before the month in which such individual becomes entitled to old-age insurance benefits.

"(c) So much of such section 202(b) (1) as follows clause (C) is amended by striking out 'she becomes entitled to an old-age or disability insurance benefit based on a primary insurance amount which is equal to or exceeds one-half of an old-age or disability insurance benefit of her husband.'

"(d) (1) Clause (D) of subsection (c) (1) of such section 202 is amended by striking out 'or he becomes entitled to an old-age or disability insurance benefit equal to or exceeding one-half of the primary insurance amount of his wife.'

"(2) Subsection (c) (3) of such section 202 is amended by striking out 'Such' and inserting in lieu thereof 'Except as provided in subsection (q), such'.

"(e) Subsection 202(j) (3) of such Act is amended to read as follows:

"(3) Notwithstanding the provisions of paragraph (1), an individual may, at his option, waive entitlement to old-age insur-

ance benefits, wife's insurance benefits, or husband's insurance benefits for any one or more consecutive months which occur—

"(A) after the month before the month in which such individual attains retirement age,

"(B) prior to the month in which such individual attains the age of sixty-five, and

"(C) prior to the month in which such individual files application for such benefits; and, in such case, such individual shall not be considered as entitled to such benefits for any such month or months before he filed such application. An individual shall be deemed to have waived such entitlement for any such month for which such benefit would, under the second sentence of paragraph (1), be reduced to zero."

"(f) Section 3121(a)(9) of the Internal Revenue Code of 1954 is amended to read as follows:

"(9) any payment (other than vacation or sick pay) made to an employee after the month in which he attains the age of sixty-two, if such employee did not work for the employer in the period for which such payment is made; or."

"(g)(1) The amendment made by subsection (a) shall apply only in the case of lump-sum death payments under section 202(i) of the Social Security Act with respect to deaths occurring after October 1960, and in the case of monthly benefits under title II of such Act for months after October 1960 on the basis of applications filed after the date of enactment of this Act.

"(2) For purposes of section 215(b)(3)(B) of the Social Security Act (but subject to paragraph (1) of this subsection)—

"(A) a man who attains the age of sixty-two prior to November 1960 and who was not eligible for old-age insurance benefits under section 202 of such Act (as in effect prior to the enactment of this Act) for any month prior to November 1960 shall be deemed to have attained the age of sixty-two in 1960 or, if earlier, the year in which he died;

"(B) an individual shall not, by reason of the amendment made by subsection (a), be deemed to be a fully insured individual before November 1960 or the month in which he died, whichever month is the earlier; and

"(C) the amendment made by subsection (a) shall not be applicable in the case of any individual who was eligible for old-age insurance benefits under such section 202 for any month prior to November 1960.

An individual shall, for purposes of this paragraph, be deemed eligible for old-age insurance benefits under section 202 of the Social Security Act for any month if he was or would have been, upon filing application therefor in such month, entitled to such benefits for such month.

"(3) For purposes of section 209(1) of such Act, the amendment made by subsection (a) shall apply only with respect to remuneration paid after October 1960.

"(h)(1) The amendments made by subsections (b) through (e) shall take effect November 1, 1960, and shall be applicable with respect to monthly benefits under title II of the Social Security Act for months after October 1960.

"(2) The amendment made by subsection (f) shall be effective with respect to remuneration paid after October 1960."

On page 100, after line 13, to insert:

"INCREASE IN THE EARNED INCOME LIMITATION

"Sec. 211. (a)(1) Paragraphs (1) and (2) of subsection 203(e) of the Social Security Act are each amended by striking out '\$1,200' wherever it appears therein and inserting in lieu thereof '\$1,800', and (2) such paragraphs and paragraph (1) of subsection (g) of such section are each amended by striking out '\$100 times' wherever it appears

therein and inserting in lieu thereof '\$150 times'.

"(b) The amendments made by subsection (a) shall be effective, in the case of any individual, with respect to taxable years of such individual ending after 1960."

On page 101, line 22, after the word "section", to strike out "208" and insert "207"; on page 102, line 4, after the word "section", to strike out "208" and insert "207"; in line 23, after the word "section", where it occurs the second time, to strike out "208" and insert "207"; on page 114, line 22, after the word "of", to strike out "a woman" and insert "an individual"; on page 115, line 2, after the word "which", to strike out "she" and insert "such individual"; under the heading "Title V—Employment Security", on page 131, after line 19, to strike out:

"Part 1—Short title

"Sec. 501. This title may be cited as the 'Employment Security Act of 1960'.

"Part 2—Employment security administrative financing amendments

"AMENDMENTS OF TITLE IX OF THE SOCIAL SECURITY ACT

"Sec. 521. Title IX of the Social Security Act (42 U.S.C., sec. 1101 and following) is amended to read as follows:

"TITLE IX—MISCELLANEOUS PROVISIONS RELATING TO EMPLOYMENT SECURITY

"Employment Security Administration account

"Establishment of account

"Sec. 901. (a) There is hereby established in the Unemployment Trust Fund an employment security administration account.

"Appropriations to account

"(b)(1) There is hereby appropriated to the Unemployment Trust Fund for credit to the employment security administration account, out of any moneys in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1961, and for each fiscal year thereafter, an amount equal to 100 percent of the tax (including interest, penalties, and additions to the tax) received during the fiscal year under the Federal Unemployment Tax Act and covered into the Treasury.

"(2) The amount appropriated by paragraph (1) shall be transferred at least monthly from the general fund of the Treasury to the Unemployment Trust Fund and credited to the employment security administration account. Each such transfer shall be based on estimates made by the Secretary of the Treasury of the amounts received in the Treasury. Proper adjustments shall be made in the amounts subsequently transferred, to the extent prior estimates (including estimates for the fiscal year ending June 30, 1960,) were in excess of or were less than the amounts required to be transferred.

"(3) The Secretary of the Treasury is directed to pay from time to time from the employment security administration account into the Treasury, as repayments to the account for refunding internal revenue collections, amounts equal to all refunds made after June 30, 1960, of amounts received as tax under the Federal Unemployment Tax Act (including interest on such refunds).

"Administrative Expenditures

"(c)(1) There are hereby authorized to be made available for expenditure out of the employment security administration account for the fiscal year ending June 30, 1961, and for each fiscal year thereafter—

"(A) such amounts (not in excess of \$350,000,000 for any fiscal year) as the Congress may deem appropriate for the purpose of—

"(i) assisting the States in the administration of their unemployment compensation laws as provided in title III (including

administration pursuant to agreements under any Federal unemployment compensation law, except the Temporary Unemployment Compensation Act of 1958, as amended),

"(ii) the establishment and maintenance of systems of public employment offices in accordance with the Act of June 6, 1933, as amended (29 U.S.C., secs. 49–49n), and

"(iii) carrying into effect section 2012 of title 38 of the United States Code;

"(B) such amounts as the Congress may deem appropriate for the necessary expenses of the Department of Labor for the performance of its functions under—

"(i) this title and titles III and XII of this Act,

"(ii) the Federal Unemployment Tax Act, 1933, as amended,

"(iv) subchapter II of chapter 41 (except section 2012) of title 38 of the United States Code, and

"(v) any Federal unemployment compensation law, except the Temporary Unemployment Compensation Act of 1958, as amended.

"(2) The Secretary of the Treasury is directed to pay from the employment security administration account into the Treasury as miscellaneous receipts the amount estimated by him which will be expended during a three-month period by the Treasury Department for the performance of its functions under—

"(A) this title and titles III and XII of this Act, including the expenses of banks for servicing unemployment benefit payment and clearing accounts which are offset by the maintenance of balances of Treasury funds with such banks,

"(B) the Federal Unemployment Tax Act, and

"(C) any Federal unemployment compensation law with respect to which responsibility for administration is vested in the Secretary of Labor.

In determining the expenses taken into account under subparagraphs (B) and (C), there shall be excluded any amount attributable to the Temporary Unemployment Compensation Act of 1958, as amended. If it subsequently appears that the estimates under this paragraph in any particular period were too high or too low, appropriate adjustments shall be made by the Secretary of the Treasury in future payments.

"Additional Tax Attributable to Reduced Credits

"(d)(1) The Secretary of the Treasury is directed to transfer from the employment security administration account—

"(A) To the Federal unemployment account, an amount equal to the amount by which—

"(i) 100 per centum of the additional tax received under the Federal Unemployment Tax Act with respect to any State by reason of the reduced credits provisions of section 3302(c)(2) or (3) of such Act and covered into the Treasury for the repayment of advances made to the State under section 1201, exceeds

"(ii) the amount transferred to the account of such State pursuant to subparagraph (B) of this paragraph.

Any amount transferred pursuant to this subparagraph shall be credited against, and shall operate to reduce, that balance of advances, made under section 1201 to the State, with respect to which employers paid such additional tax.

"(B) To the account (in the Unemployment Trust Fund) of the State with respect to which employers paid such additional tax, an amount equal to the amount by which such additional tax received and covered into the Treasury exceeds that balance of advances, made under section 1201 to the State, with respect to which employers paid such additional tax.

If, for any taxable year, there is with respect to any State both a balance described in section 3302(c)(2) of the Federal Unemployment Tax Act and a balance described in section 3302(c)(3) of such Act, this paragraph shall be applied separately with respect to section 3302(c)(2) (and the balance described therein) and separately with respect to section 3302(c)(3) (and the balance described therein).

"(2) The Secretary of the Treasury is directed to transfer from the employment security administration account—

"(A) To the general fund of the Treasury, an amount equal to the amount by which—

"(1) 100 per centum of the additional tax received under the Federal Unemployment Tax Act with respect to any State by reason of the reduced credit provision of section 104 of the Temporary Unemployment Compensation Act of 1958, as amended, and covered into the Treasury, exceeds

"(ii) the amount transferred to the account of such State pursuant to subparagraph (B) of this paragraph.

"(B) To the account (in the Unemployment Trust Fund) of the State with respect to which employers paid such additional tax, an amount equal to the amount by which—

"(i) such additional tax received and covered into the Treasury, exceeds

"(ii) the total amount restorable to the Treasury under section 104 of the Temporary Unemployment Compensation Act of 1958, as amended, as limited by Public Law 85-457."

"(3) Transfers under this subsection shall be as of the beginning of the month succeeding the month in which the moneys were credited to the employment security administration account pursuant to subsection (b)(2).

"Revolving Fund

"(e)(1) There is hereby established in the Treasury a revolving fund which shall be available to make the advances authorized by this subsection. There are hereby authorized to be appropriated, without fiscal year limitation, to such revolving fund such amounts as may be necessary for the purposes of this section.

"(2) The Secretary of the Treasury is directed to advance from time to time from the revolving fund to the employment security administration account such amounts as may be necessary for the purposes of this section. If the net balance in the employment security administration account as of the beginning of any fiscal year is \$250,000,000, no advance may be made under this subsection during such fiscal year.

"(3) Advances to the employment security administration account made under this subsection shall bear interest until repaid at a rate equal to the average rate of interest (computed as of the end of the calendar month next preceding the date of such advance) borne by all interest bearing obligations of the United States then forming a part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest shall be the multiple of one-eighth of 1 per centum next lower than such average rate.

"(4) Advances to the employment security administration account made under this subsection, plus interest accrued thereon, shall be repaid by the transfer from time to time, from the employment security administration account to the revolving fund, of such amounts as the Secretary of the Treasury, in consultation with the Secretary of Labor, determines to be available in the employment security administration account for such repayment. Any amount transferred as a repayment under this paragraph shall be credited against, and shall operate to reduce, any balance of advances (plus accrued interest) repayable under this subsection.

"Determination of Excess and Amount To Be Retained in Employment Security Administration Account

"(f)(1) The Secretary of the Treasury shall determine as of the close of each fiscal year (beginning with the fiscal year ending June 30, 1961) the excess in the employment security administration account.

"(2) The excess in the employment security administration account as of the close of any fiscal year is the amount by which the net balance in such account as of such time (after the application of section 902(b)) exceeds the net balance in the employment security administration account as of the beginning of that fiscal year (including the fiscal year for which the excess is being computed) for which the net balance was higher than as of the beginning of any other such fiscal year.

"(3) If the entire amount of the excess determined under paragraph (1) as of the close of any fiscal year is not transferred to the Federal unemployment account, there shall be retained (as of the beginning of the succeeding fiscal year) in the employment security administration account so much of the remainder as does not increase the net balance in such account (as of the beginning of such succeeding fiscal year) above \$250,000,000.

"(4) For the purposes of this section, the net balance in the employment security administration account as of any time is the amount in such account as of such time reduced by the sum of—

"(A) the amounts then subject to transfer pursuant to subsection (d), and

"(B) the balance of advances (plus interest accrued thereon) then repayable to the revolving fund established by subsection (e).

The net balance in the employment security administration account as of the beginning of any fiscal year shall be determined after the disposition of the excess in such account as of the close of the preceding fiscal year.

"Transfers between Federal unemployment account and employment security administration account

"Transfers to Federal Unemployment Account

"SEC. 902. (a) Whenever the Secretary of the Treasury determines pursuant to section 901(f) that there is an excess in the employment security administration account as of the close of any fiscal year, there shall be transferred (as of the beginning of the succeeding fiscal year) to the Federal unemployment account the total amount of such excess or so much thereof as is required to increase the amount in the Federal unemployment account to whichever of the following is the greater:

"(1) \$550,000,000, or

"(2) The amount (determined by the Secretary of Labor and certified by him to the Secretary of the Treasury) equal to four-tenths of 1 per centum of the total wages subject to contributions under all State unemployment compensation laws for the calendar year ending during the fiscal year for which the excess is determined.

"Transfers to Employment Security Administration Account

"(b) The amount, if any, by which the amount in the Federal unemployment account as of the close of any fiscal year exceeds the greater of the amounts specified in paragraphs (1) and (2) of subsection (a) shall be transferred to the employment security administration account as of the close of such fiscal year.

"Amounts transferred to State accounts

"In General

"SEC. 903. (a)(1) Except as provided in subsection (b), whenever, after the applica-

tion of section 1203 with respect to the excess in the employment security administration account as of the close of any fiscal year, there remains any portion of such excess, the remainder of such excess shall be transferred (as of the beginning of the succeeding fiscal year) to the accounts of the States in the Unemployment Trust Fund.

"(2) Each State's share of the funds to be transferred under this subsection as of any July 1—

"(A) shall be determined by the Secretary of Labor and certified by him to the Secretary of the Treasury before that date on the basis of reports furnished by the States to the Secretary of Labor before June 1, and

"(B) shall bear the same ratio to the total amount to be so transferred as the amount of wages subject to contributions under such State's unemployment compensation law during the preceding calendar year which have been reported to the State before May 1 bears to the total of wages subject to contributions under all State unemployment compensation laws during such calendar year which have been reported to the States before May 1.

"Limitations on Transfers

"(b)(1) If the Secretary of Labor finds that on July 1 of any fiscal year—

"(A) a State is not eligible for certification under section 303, or

"(B) the law of a State is not approvable under section 3304 of the Federal Unemployment Tax Act,

then the amount available for transfer to such State's account shall, in lieu of being so transferred, be transferred to the Federal unemployment account as of the beginning of such July 1. If, during the fiscal year beginning on such July 1, the Secretary of Labor finds and certifies to the Secretary of the Treasury that such State is eligible for certification under section 303, that the law of such State is approvable under such section 3304, or both, the Secretary of the Treasury shall transfer such amount from the Federal unemployment account to the account of such State. If the Secretary of Labor does not so find and certify to the Secretary of the Treasury before the close of such fiscal year then the amount which was available for transfer to such State's account as of July 1 of such fiscal year shall (as of the close of such fiscal year) become unrestricted as to use as part of the Federal unemployment account.

"(2) The amount which, but for this paragraph, would be transferred to the account of a State under subsection (a) or paragraph (1) of this subsection shall be reduced (but not below zero) by the balance of advances made to the State under section 1201. The sum by which such amount is reduced shall—

"(A) be transferred to or retained in (as the case may be) the Federal unemployment account, and

"(B) be credited against, and operate to reduce—

"(i) first, any balance of advances made before the date of the enactment of the Employment Security Act of 1960 to the State under section 1201, and

"(ii) second, any balance of advances made on or after such date to the State under section 1201.

"Use of Transferred Amounts

"(c)(1) Except as provided in paragraph (2), amounts transferred to the account of a State pursuant to subsections (a) and (b) shall be used only in the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration.

"(2) A State may, pursuant to a specific appropriation made by the legislative body of the State, use money withdrawn from

its account in the payment of expenses incurred by it for the administration of its unemployment compensation law and public employment offices if and only if—

"(A) the purposes and amounts were specified in the law making the appropriation,

"(B) the appropriation law did not authorize the obligation of such money after the close of the two-year period which began on the date of enactment of the appropriation law,

"(C) the money is withdrawn and the expenses are incurred after such date of enactment, and

"(D) the appropriation law limits the total amount which may be obligated during a fiscal year to an amount which does not exceed the amount by which (i) the aggregate of the amounts transferred to the account of such State pursuant to subsections (a) and (b) during such fiscal year and the four preceding fiscal years, exceeds (ii) the aggregate of the amounts used by the State pursuant to this subsection and charged against the amounts transferred to the account of such State during such five fiscal years.

For the purposes of subparagraph (D), amounts used by a State during any fiscal year shall be charged against equivalent amounts which were first transferred and which have not previously been so charged; except that no amount obligated for administration during any fiscal year may be charged against any amount transferred during a fiscal year earlier than the fourth preceding fiscal year.

"Unemployment trust fund

"Establishment, etc.

"Sec. 904. (a) There is hereby established in the Treasury of the United States a trust fund to be known as the "Unemployment Trust Fund," hereinafter in this title called the "Fund." The Secretary of the Treasury is authorized and directed to receive and hold in the Fund all moneys deposited therein by a State agency from a State unemployment fund, or by the Railroad Retirement Board to the credit of the railroad unemployment insurance account or the railroad unemployment insurance administration fund, or otherwise deposited in or credited to the Fund or any account therein. Such deposit may be made directly with the Secretary of the Treasury, with any depository designated by him for such purpose, or with any Federal Reserve Bank.

"Investments

"(b) It shall be the duty of the Secretary of the Treasury to invest such portion of the Fund as is not, in his judgment, required to meet current withdrawals. Such investment may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the Fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as of the end of the calendar month next preceding the date of such issue, borne by all interest-bearing obligations of the United States then forming part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 per centum next lower than such average rate. Obligations other than such special obligations may be acquired for the

Fund only on such terms as to provide an investment yield not less than the yield which would be required in the case of special obligations if issued to the Fund upon the date of such acquisition. Advances made to the Federal unemployment account pursuant to section 1203 shall not be invested.

"Sale or Redemption of Obligations

"(c) Any obligations acquired by the Fund (except special obligations issued exclusively to the Fund) may be sold at the market price, and such special obligations may be redeemed at par plus accrued interest.

"Treatment of Interest and Proceeds

"(d) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

"Separate Book Accounts

"(e) The Fund shall be invested as a single fund, but the Secretary of the Treasury shall maintain a separate book account for each State agency, the employment security administration account, the Federal unemployment account, the railroad unemployment insurance account, and the railroad unemployment insurance administration fund and shall credit quarterly (on March 31, June 30, September 30, and December 31, of each year) to each account, on the basis of the average daily balance of such account, a proportionate part of the earnings of the Fund for the quarter ending on such date. For the purpose of this subsection, the average daily balance shall be computed—

"(1) in the case of any State account, by reducing (but not below zero) the amount in the account by the balance of advances made to the State under section 1201, and

"(2) in the case of the Federal unemployment account—

"(A) by adding to the amount in the account the aggregate of the reductions under paragraph (1), and

"(B) by subtracting from the sum so obtained the balance of advances made under section 1203 to the account.

"Payments to State Agencies and Railroad Retirement Board

"(f) The Secretary of the Treasury is authorized and directed to pay out of the Fund to any State agency such amount as it may duly requisition, not exceeding the amount standing to the account of such State agency at the time of such payment. The Secretary of the Treasury is authorized and directed to make such payments out of the railroad unemployment insurance account for the payment of benefits, and out of the railroad unemployment insurance administration fund for the payment of administrative expenses, as the Railroad Retirement Board may duly certify, not exceeding the amount standing to the credit of such account or such fund, as the case may be, at the time of such payment.

"Federal Unemployment Account

"(g) There is hereby established in the Unemployment Trust Fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to (1) the excess of taxes collected prior to July 1, 1946, under title IX of this Act or under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1946, plus (2) the excess of taxes collected under the Federal Unemployment Tax Act after June 30, 1946, and prior to July 1, 1953, over the unemployment administrative expenditures made after June 30, 1946, and prior to July 1, 1953. As used in this subsection, the term "unemployment administrative expenditures" means expenditures for grants under title III of this Act, expenditures for the administration of that title by the Social Security Board, the

Federal Security Administrator, or the Secretary of Labor, and expenditures for the administration of title IX of this Act, or of the Federal Unemployment Tax Act, by the Department of the Treasury, the Social Security Board, the Federal Security Administrator, or the Secretary of Labor. For the purposes of this subsection, there shall be deducted from the total amount of taxes collected prior to July 1, 1943, under title IX of this Act, the sum of \$40,561,886.43 which was authorized to be appropriated by the Act of August 24, 1937 (50 Stat. 754), and the sum of \$18,451,846 which was authorized to be appropriated by section 11(b) of the Railroad Unemployment Insurance Act."

In line 6, after the word "conforming", to strike out "amendments" and insert "amendment"; after line 6, to strike out:

"Sec. 524. (a) Section 301 of the Social Security Act is amended to read as follows:

"APPROPRIATIONS

"Sec. 301. The amounts made available pursuant to section 901(c)(1)(A) for the purpose of assisting the States in the administration of their unemployment compensation laws shall be used as hereinafter provided."

At the beginning of line 14, to strike out "(b)" and insert "Sec. 504."; in line 16, to strike out "amended—" and insert "amended"; after line 16, to strike out:

"(1) by striking out subsection (b); and

"(2) by amending subsection (a) by striking out the heading and '(a)', and"

On page 151, after line 12, to insert:

"AMENDMENTS TO TITLE IX OF THE SOCIAL SECURITY ACT

"Sec. 501. (a)(1) Section 902(2) of the Social Security Act is amended by striking out '\$200,000,000' and inserting in lieu thereof '\$500,000,000'.

"(2) The last sentence of such section 902 is amended by striking out '1202(c)' and inserting in lieu thereof '1203'.

"(b) Section 903(b) is amended to read as follows:

"(b)(1) If the Secretary of Labor finds that on July 1 of any fiscal year—

"(A) a State is not eligible for certification under section 303, or

"(B) the law of a State is not approvable under section 3304 of the Federal Unemployment Tax Act,

then the amount available for crediting to such State's account shall, in lieu of being so credited, be credited to the Federal unemployment account as of the beginning of such July 1. If, during the fiscal year beginning on such July 1, the Secretary of Labor finds and certifies to the Secretary of the Treasury that such State is eligible for certification under section 303, that the law of such State is approvable under such section 3304, or both, the Secretary of the Treasury shall transfer such amount from the Federal unemployment account to the account of such State. If the Secretary of Labor does not so find and certify to the Secretary of the Treasury before the close of such fiscal year then the amount which was available for credit to such State's account as of July 1 of such fiscal year shall (as of the close of such fiscal year) become unrestricted as to use as part of the Federal unemployment account.

"(2) The amount which, but for this paragraph, would be transferred to the account of a State under subsection (a) or paragraph (1) of this subsection shall be reduced (but not below zero) by the balance of advances made to the State under section 1201. The sum by which such amount is reduced shall—

"(A) be credited to the Federal unemployment account, and

"(B) be credited against, and operate to reduce—

"(1) first, any balance of advances made before the date of the enactment of the Social Security Amendments of 1960 to the State under section 1201, and

"(11) second, any balance of advances made on or after such date to the State under section 1201."

"(c) The last sentence of section 904(b) of such Act is amended by striking out '1202(c)' and inserting in lieu thereof '1203'."

"(d) Section 904(e)(2) of such Act is amended by striking out '1202(c)' and inserting in lieu thereof '1203'."

On page 153, line 15, to change the section number from "522" to "502"; in line 25, after the word "sections", to strike out "901(d)(1)"; on page 156, line 16, after the word "title" and the period, to strike out "Whenever, after the application of section 901(f)(3) with respect to the excess in the employment security administration account as of the close of any fiscal year, there remains any portion of such excess, so much of such remainder as does not exceed the balance of advances made pursuant to this section shall be transferred to the general fund of the Treasury and shall be credited against, and shall operate to reduce, such balance of advances."

On page 158, after line 9, to strike out:

"Increase in Tax Rate"

"SEC. 523. (a) Section 3301 of the Internal Revenue Code of 1954 (relating to rate of tax under Federal Unemployment Tax Act) is amended—

"(1) by striking out '1955' and inserting in lieu thereof '1961', and

"(2) by striking out '3 percent' and inserting in lieu thereof '3.1 percent'."

"Computation of Credits Against Tax"

On page 158, at the beginning of line 19, to strike out "(b)" and insert "SEC. 503."; in the same line, after the word "of", to strike out "such Code" and insert "the Internal Revenue Code of 1954"; on page 162, after line 4, to strike out:

"(1) RATE OF TAX DEEMED TO BE 3 PERCENT.—In applying subsection (c), the tax imposed by section 3301 shall be computed at the rate of 3 percent in lieu of 3.1 percent."

At the beginning of line 9, to strike out "(2)" and insert "(1)"; at the beginning of line 17, to strike out "(3)" and insert "(2)"; at the beginning of line 24, to strike out "(4)" and insert "(3)"; on page 163, at the beginning of line 21, to strike out "(5)" and insert "(4)"; on page 164, at the beginning of line 9, to strike out "(6)" and insert "(5)"; at the beginning of line 13, to strike out "(7)" and insert "(6)"; on page 165, at the beginning of line 1, to strike out "(8)" and insert "(7)"; beginning with line 2, to strike out:

"Effective Date"

"(c) The amendments made by subsection (a) shall apply only with respect to the calendar year 1961 and calendar years thereafter."

At the top of page 166, to strike out:

**"Part 3—Extension of coverage under unemployment compensation program
Federal Instrumentalities"**

"SEC. 531. (a) Section 3305(b) of the Internal Revenue Code of 1954 is amended to read as follows:

"(b) FEDERAL INSTRUMENTALITIES IN GENERAL.—The legislature of any State may require any instrumentality of the United States (other than an instrumentality to which section 3306(c)(6) applies), and the individuals in its employ, to make contributions to an unemployment fund under a State unemployment compensation law approved by the Secretary of Labor under section 3304 and (except as provided in section 5240 of the Revised Statutes, as amended (12 U.S.C., sec. 484), and as modified by subsection (c)), to comply otherwise with such law. The permission granted in this subsection shall apply (A) only to the extent that no

discrimination is made against such instrumentality, so that if the rate of contribution is uniform upon all other persons subject to such law on account of having individuals in their employ, and upon all employees of such persons, respectively, the contributions required of such instrumentality or the individuals in its employ shall not be at a greater rate than is required of such other persons and such employees, and if the rates are determined separately for different persons or classes of persons having individuals in their employ or for different classes of employees, the determination shall be based solely upon unemployment experience and other factors bearing a direct relation to unemployment risk; (B) only if such State law makes provision for the refund of any contributions required under such law from an instrumentality of the United States or its employees for any year in the event such State is not certified by the Secretary of Labor under section 3304 with respect to such year; and (C) only if such State law makes provision for the payment of unemployment compensation to any employee of any such instrumentality of the United States in the same amount, on the same terms, and subject to the same conditions as unemployment compensation is payable to employees of other employers under the State unemployment compensation law."

"(b) The third sentence of section 3305 (g) of such Code is amended by striking out 'not wholly' and inserting in lieu thereof 'neither wholly nor partially'."

"(c) Section 3306(c)(6) of such Code is amended to read as follows:

"(6) service performed in the employ of the United States Government or of an instrumentality of the United States which is—

"(A) wholly or partially owned by the United States, or

"(B) exempt from the tax imposed by section 3301 by virtue of any provision of law which specifically refers to such section (or the corresponding section of prior law) in granting such exemption;."

"(d) (1) Chapter 23 of such Code is amended by renumbering section 3308 as section 3309 and by inserting after section 3307 the following new section:

"SEC. 3308. Instrumentalities of the United States.

"Notwithstanding any other provision of law (whether enacted before or after the enactment of this section) which grants to any instrumentality of the United States an exemption from taxation, such instrumentality shall not be exempt from the tax imposed by section 3301 unless such other provision of law grants a specific exemption, by reference to section 3301 (or the corresponding section of prior law), from the tax imposed by such section."

"(2) The table of sections for such chapter is amended by striking out the last line and inserting in lieu thereof the following:

"SEC. 3308. Instrumentalities of the United States.

"SEC. 3309. Short title."

"(c) So much of the first sentence of section 1501(a) of the Social Security Act as precedes paragraph (1) is amended by striking out 'wholly' and inserting in lieu thereof 'wholly or partially'."

"(f) The first sentence of section 1507(a) of the Social Security Act is amended by striking out 'wholly' and inserting in lieu thereof 'wholly or partially'."

"American Aircraft"

"SEC. 532. (a) So much of section 3306(c) of the Internal Revenue Code of 1954 as precedes paragraph (1) thereof is amended by striking out 'or (B) on or in connection with an American vessel' and all that follows down through the phrase 'outside the United

States,' and by inserting in lieu thereof the following: 'or (B) on or in connection with an American vessel or American aircraft under a contract of service which is entered into within the United States or during the performance of which and while the employee is employed on the vessel or aircraft it touches at a port in the United States, if the employee is employed on and in connection with such vessel or aircraft when outside the United States.'"

"(b) Section 3306(c)(4) of such Code is amended to read as follows:

"(4) service performed on or in connection with a vessel or aircraft not an American vessel or American aircraft, if the employee is employed on and in connection with such vessel or aircraft when outside the United States;."

"(c) Section 3306(m) of such Code is amended—

"(1) by striking out the heading and inserting in lieu thereof the following:

"(m) AMERICAN VESSEL AND AIRCRAFT;—"; and

"(2) by striking out the period at the end thereof and inserting in lieu thereof a semicolon and the following: 'and the term "American aircraft" means an aircraft registered under the laws of the United States.'"

"Feeder Organizations, etc."

"SEC. 533. Section 3306(c)(8) of the Internal Revenue Code of 1954 is amended to read as follows:

"(8) service performed in the employ of a religious, charitable, educational, or other organization described in section 501(c)(3) which is exempt from income tax under section 501(a);."

"Fraternal Beneficiary Societies, Agricultural Organizations, Voluntary Employees' Beneficiary Associations, etc."

"SEC. 534. Section 3306(c)(10) of the Internal Revenue Code of 1954 is amended to read as follows:

"(10) (A) service performed in any calendar quarter in the employ of any organization exempt from income tax under section 501(a) (other than an organization described in section 401(a)) or under section 521, if the remuneration for such service is less than \$50, or

"(B) service performed in the employ of a school, college, or university, if such service is performed by a student who is enrolled and is regularly attending classes at such school, college, or university;."

"Effective Date"

"SEC. 535. The amendments made by this part (other than the amendments made by subsections (e) and (f) of section 531) shall apply with respect to remuneration paid after 1961 for services performed after 1961. The amendments made by subsections (e) and (f) of section 531 shall apply with respect to any week of unemployment which begins after December 31, 1960."

"Part 4—Extension of Federal-State unemployment compensation program to Puerto Rico"

"Extension of Titles III, IX, and XII of the Social Security Act"

"SEC. 541. Effective on and after January 1, 1961, paragraphs (1) and (2) of section 1101(a) of the Social Security Act are amended to read as follows:

"(1) The term "State", except where otherwise provided, includes the District of Columbia and the Commonwealth of Puerto Rico, and when used in titles I, IV, V, VII, X, and XIV includes the Virgin Islands and Guam."

"(2) The term "United States" when used in a geographical sense means, except where otherwise provided, the States, the District of Columbia, and the Commonwealth of Puerto Rico."

"Federal Employees and Ex-Servicemen"

"SEC. 542. (a) (1) Effective with respect to weeks of unemployment beginning after December 31, 1965, section 1503(b) of such Act is amended by striking out 'Puerto Rico or'.

"(2) Effective with respect to first claims filed after December 31, 1965, paragraph (3) of section 1504 of such Act is amended by striking out 'Puerto Rico or' wherever appearing therein.

"(b) (1) Effective on and after January 1, 1961 (but only in the case of weeks of unemployment beginning before January 1, 1966)—

"(A) section 1502(b) of such Act is amended by striking out '(b) Any' and inserting in lieu thereof '(b) (1) Except as provided in paragraph (2), any', and by adding at the end thereof the following new paragraph:

"(2) In the case of the Commonwealth of Puerto Rico, the agreement shall provide that compensation will be paid by the Commonwealth of Puerto Rico to any Federal employee whose Federal service and Federal wages are assigned under section 1504 to such Commonwealth, with respect to unemployment after December 31, 1960 (but only in the case of weeks of unemployment beginning before January 1, 1966), in the same amount, on the same terms, and subject to the same conditions as the compensation which would be payable to such employee under the unemployment compensation law of the District of Columbia if such employee's Federal service and Federal wages had been included as employment and wages under such law, except that if such employee, without regard to his Federal service and Federal wages, has employment or wages sufficient to qualify for any compensation during the benefit year under such law, then payments of compensation under this subsection shall be made only on the basis of his Federal service and Federal wages. In applying this paragraph or subsection (b) of section 1503, as the case may be, employment and wages under the unemployment compensation law of the Commonwealth of Puerto Rico shall not be combined with Federal service or Federal wages."

"(B) Section 1503(a) of such Act is amended by adding at the end thereof the following: 'For the purpose of this subsection, the term "State" does not include the Commonwealth of Puerto Rico.'

"(C) Section 1503(b) of such Act is amended by adding at the end thereof the following: 'This subsection shall apply in respect of the Commonwealth of Puerto Rico only if such Commonwealth does not have an agreement under this title with the Secretary.'

"(2) Effective on and after January 1, 1961 (but only in the case of first claims filed before January 1, 1966), section 1504 of such Act is amended by adding after and below paragraph (3) the following:

"For the purposes of paragraph (2), the term "United States" does not include the Commonwealth of Puerto Rico."

"(c) Effective on and after January 1, 1961—

"(1) section 1503(d) of such Act is amended by striking out 'Puerto Rico and', and by striking out 'agencies' each place it appears and inserting in lieu thereof 'agency'; and

"(2) section 1511(e) of such Act is amended by striking out 'Puerto Rico or'.

"(d) The last sentence of section 1501(a) of such Act is amended to read as follows:

"For the purpose of paragraph (5) of this subsection, the term "United States" when used in the geographical sense means the States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands."

"Extension of Federal Unemployment Tax Act"

"SEC. 543. (a) Effective with respect to remuneration paid after December 31, 1960, for services performed after such date, section 3306(j) of the Internal Revenue Code of 1954 is amended to read as follows:

"(j) STATE, UNITED STATES, AND CITIZEN.—For purposes of this chapter—

"(1) STATE.—The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico.

"(2) UNITED STATES.—The term "United States" when used in a geographical sense includes the States, the District of Columbia, and the Commonwealth of Puerto Rico.

An individual who is a citizen of the Commonwealth of Puerto Rico (but not otherwise a citizen of the United States) shall be considered, for purposes of this section, as a citizen of the United States."

"(b) The unemployment compensation law of the Commonwealth of Puerto Rico shall be considered as meeting the requirements of—

"(1) section 3304(a)(2) of the Federal Unemployment Tax Act, if such law provides that no compensation is payable with respect to any day of unemployment occurring before January 1, 1959;

"(2) section 3304(a)(3) of the Federal Unemployment Tax Act and section 303(a)(4) of the Social Security Act, if such law contains the provisions required by those sections and if it requires that, on or before February 1, 1961, there be paid over to the Secretary of the Treasury, for credit to the Puerto Rico account in the Unemployment Trust Fund, an amount equal to the excess of—

"(A) the aggregate of the moneys received in the Puerto Rico unemployment fund before January 1, 1961, over

"(B) the aggregate of the moneys paid from such fund before January 1, 1961, as unemployment compensation or as refunds of contributions erroneously paid.

"TITLE VI—MEDICAL SERVICES FOR THE AGED"**"Establishment of program"**

"SEC. 601. The Social Security Act is amended by adding at the end thereof the following new title:

"TITLE XVI—MEDICAL SERVICES FOR THE AGED"**"Appropriation"**

"SEC. 1601. For the purpose of enabling each State, as far as practicable under the conditions in such State, to assist aged individuals of low income in meeting their medical expenses, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this title. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Secretary, State plans for medical services for the aged.

"State plans"

"SEC. 1602. (a) A State plan for medical services for the aged must—

"(1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them;

"(2) provide for financial participation by the State;

"(3) provide for the establishment or designation of a single State agency to administer or supervise the administration of the plan;

"(4) provide that medical services with respect to which payments are made under the plan shall include both institutional and noninstitutional medical services;

"(5) include reasonable standards, consistent with the objectives of this title, for determining the eligibility of individuals for

medical benefits under the plan and the amounts thereof, and provide that no benefits under the plan would be furnished any individual who is not an eligible individual (as defined in section 1605);

"(6) provide that all individuals wishing to apply for medical benefits under the plan shall have opportunity to do so, and that such benefits shall be furnished with reasonable promptness to all individuals making application therefor who are eligible for medical benefits under the plan;

"(7) provide that no benefits will be furnished any individual under the plan with respect to any period with respect to which he is receiving old-age assistance under the State plan approved under section 2, aid to dependent children under the State plan approved under section 402, aid to the blind under the State plan approved under section 1002, or aid to the permanently and totally disabled under the State plan approved under section 1402 (and for purposes of this paragraph an individual shall not be deemed to have received such assistance or aid with respect to any month unless he received such assistance or aid in the form of money payments for such month, or in the form of medical or any other type of remedial care in such month (without regard to when the expenditures in the form of such care were made));

"(8) provide that no lien may be imposed against the property of any individual prior to his death on account of benefits paid or to be paid on his behalf under the plan (except pursuant to the judgment of a court on account of benefits incorrectly paid on behalf of such individual), and that there shall be no adjustment or recovery (except, after the death of such individual and his surviving spouse, if any, from such individual's estate) of any benefits correctly paid on behalf of any individual under the plan;

"(9) provide that no enrollment fee, premium, or similar charge will be imposed as a condition of any individual's eligibility for medical benefits under the plan;

"(10) provide that benefits under the plan shall not be greater in amount, duration, or scope than the assistance furnished under a plan of such State approved under section 2—

"(A) in the form of medical or any other type of remedial care, and

"(B) in the form of money payments to the extent that amounts are included in such payments because of the medical needs of the recipients;

"(11) provide for granting an opportunity for a fair hearing before the State agency to any individual whose claim for medical benefits under the plan is denied or is not acted upon with reasonable promptness;

"(12) provide such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary to be necessary for the proper and efficient operation of the plan;

"(13) provide safeguards which restrict the use or disclosure of information concerning applicants for and recipients of benefits under the plan to purposes directly connected with the administration of the plan;

"(14) provide for establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for—

"(A) hospitals providing hospital services,

"(B) nursing homes providing skilled nursing home services, and

“(C) agencies providing organized home care services, for which expenditures are made under the plan;

“(15) include methods for determining—

“(A) rates of payment for institutional services, and

“(B) schedules of fees or rates of payment for other medical services,

for which expenditures are made under the plan;

“(16) to the extent required by regulations prescribed by the Secretary, include provisions (conforming to such regulations) with respect to the furnishing of medical benefits to eligible individuals who are residents of the State but absent therefrom; and

“(17) provide that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time require, and comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports.

“(b) The Secretary shall approve any State plan which complies with the requirements of subsection (a), except that he shall not approve any plan which imposes as a condition of eligibility for medical benefits under the plan—

“(1) an age requirement of more than sixty-five years;

“(2) any citizenship requirement which excludes any citizen of the United States; or

“(3) any residence requirement which excludes any individual who resides in the State.

“(c) Notwithstanding subsection (b), the Secretary shall not approve any State plan for medical services for the aged unless the State has established to his satisfaction that the approval and operation of the plan will not result in a reduction in old-age assistance under the plan of such State approved under section 2, aid to dependent children under the plan of such State approved under section 402, aid to the blind under the plan of such State approved under section 1002, or aid to the permanently and totally disabled under the plan of such State approved under section 1402.

“Payments

“SEC. 1603. (a) From the sums appropriated therefor, there shall be paid to each State which has a plan approved under section 1602, for each calendar quarter, beginning with the quarter commencing July 1, 1961—

“(1) in the case of any State other than the Commonwealth of Puerto Rico, the Virgin Islands, and Guam, an amount equal to the Federal percentage (as defined in section 1101(a)(8)) of the total amounts expended during such quarter for medical benefits under the State plan;

“(2) in the case of the Commonwealth of Puerto Rico, the Virgin Islands, and Guam, an amount equal to one-half of the total amounts expended during such quarter for medical benefits under the State plan; and

“(3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan; except that there shall not be counted as an expenditure for purposes of paragraph (1) or (2) any amount expended for an individual during a benefit year of such individual—

“(A) for inpatient hospital services after expenditures have been made for the cost of 120 days of such services for such individual during such year, or

“(B) for laboratory and X-ray services (which do not constitute inpatient hospital services) after expenditures of \$200 have been made for such individual during such year, or

“(C) for prescribed drugs (which do not constitute inpatient hospital services) after expenditures of \$200 have been made for such individual during such year.

“(b) Prior to the beginning of each quarter, the Secretary shall estimate the amounts to be paid to each State under subsection (a) for such quarter, such estimates to be based on (1) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (2) such other investigation as the Secretary may find necessary. The amount so estimated, reduced or increased to the extent of any overpayment or underpayment which the Secretary determines was made under this section to such State for any prior quarter and with respect to which adjustment has not already been made under this subsection, shall then be paid to the State, through the disbursing facilities of the Treasury Department, in such installments as the Secretary may determine. The reductions under the preceding sentence shall include the pro rata share to which the United States is equitably entitled, as determined by the Secretary, of the net amount recovered by the State or any political subdivision thereof with respect to medical benefits furnished under the State plan.

“Operation of State plans

“SEC. 1604. If the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of any State plan which has been approved by him under section 1602, finds—

“(1) that the plan has been so changed that it no longer complies with the provisions of section 1602, or

“(2) that in the administration of the plan there is a failure to comply substantially with any such provision, the Secretary shall notify such State agency that further payments will not be made to the State under section 1603 (or, in his discretion, that payments will be limited to parts of the plan not affected by such noncompliance) until the Secretary is satisfied that there is no longer any such noncompliance. Until he is so satisfied, no further payments shall be made to such State under section 1603 (or payments shall be limited to parts of the plan not affected by such noncompliance). For purposes of this section, a plan shall be treated as having been so changed that it no longer complies with the provisions of section 1602 if at any time the Secretary determines that, were such plan to be submitted at such time for approval, he would be barred from approving such plan by reason of section 1602(c).

“Eligible individuals

“SEC. 1605. For the purposes of this title, the term “eligible individual” means any individual—

“(1) who is sixty-five years of age or over, and

“(2) whose income and resources, taking into account his other living requirements as determined by the State, are insufficient to meet the cost of his medical services.

“Benefits

“SEC. 1606. For the purpose of this title—

“(a) The term “medical benefits” means payment of part or all of the cost of medical services on behalf of eligible individuals.

“(b) (1) Except as provided in paragraph (2), the term “medical services” means the

following to the extent determined by the physician to be medically necessary:

- “(A) inpatient hospital services;
- “(B) skilled nursing-home services;
- “(C) physicians' services;
- “(D) outpatient hospital services;
- “(E) organized home care services;
- “(F) private duty nursing services;
- “(G) therapeutic services;
- “(H) major dental treatment;
- “(I) laboratory and X-ray services; and
- “(J) prescribed drugs.

“(2) The term “medical services” does not include—

“(A) services for any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental diseases; or

“(B) services for any individual who is a patient in a medical institution as a result of a diagnosis of tuberculosis or psychosis, with respect to any period after the individual has been a patient in such an institution, as a result of such diagnosis, for forty-two days.

“(c) The term “inpatient hospital services” means the following items furnished to an inpatient by a hospital:

“(1) Bed and board (at a rate not in excess of the rate for semiprivate accommodations);

“(2) Physicians' services; and

“(3) Nursing services, interns' services, laboratory and X-ray services, ambulance service, and other services, drugs, and appliances related to his care and treatment (whether furnished directly by the hospital or, by arrangement, through other persons).

“(d) The term “skilled nursing home services” means the following items furnished to an inpatient in a nursing home:

“(1) Skilled nursing care provided by a registered professional nurse or a licensed practical nurse which is prescribed by, or performed under the general direction of, a physician;

“(2) Medical care and other services related to such skilled nursing care; and

“(3) Bed and board in connection with the furnishing of such skilled nursing care.

“(e) The term “physicians' services” means services provided in the exercise of his profession in any State by a physician licensed in such State; and the term “physician” includes a physician within the meaning of section 1101(a)(7).

“(f) The term “outpatient hospital services” means medical and surgical care furnished by a hospital to an individual as an outpatient.

“(g) The term “organized home care services” means visiting nurse services and physicians' services, and services related thereto, which are prescribed by a physician and are provided in the home through a public or private nonprofit agency operated in accordance with medical policies established by one or more physicians (who are responsible for supervising the execution of such policies) to govern such services.

“(h) The term “private duty nursing services” means nursing care provided in the home by a registered professional nurse or licensed practical nurse, under the general direction of a physician, to a patient requiring nursing care on a full-time basis.

“(i) The term “therapeutic services” means services prescribed by a physician for the treatment of disease or injury by physical nonmedical means, including retraining for the loss of speech.

“(j) The term “major dental treatment” means services provided by a dentist, in the exercise of his profession, with respect to a condition of an individual's teeth, oral cavity, or associated parts which has seriously affected, or may seriously affect, his general health. As used in the preceding sentence, the term “dentist” means a person licensed to practice dentistry or dental surgery in the State where the services are provided.

"(k) The term "laboratory and X-ray services" includes only such services prescribed by a physician.

"(l) The term "prescribed drugs" means medicines which are prescribed by a physician.

"(m) The term "hospital" means a hospital (other than a mental or tuberculosis hospital) licensed as such by the State in which it is located or, in the case of a State hospital, approved by the licensing agency of the State.

"(n) The term "nursing home" means a nursing home which is licensed as such by the State in which it is located, and which (1) is operated in connection with a hospital or (2) has medical policies established by one or more physicians (who are responsible for supervising the execution of such policies) to govern the skilled nursing care and related medical care and other services which it provides.

"Benefit year"

"Sec. 1607. For the purposes of this title, the term "benefit year" means, with respect to any individual, a period of 12 consecutive calendar months as designated by the State agency for the purposes of this title in accordance with regulations prescribed by the Secretary. Subject to regulations prescribed by the Secretary, the State plan may permit the extension of a benefit year in order to avoid hardship."

"Improvement of medical care for old-age assistance recipients"

"Sec. 602. (a) Section 3(a) of the Social Security Act is amended by striking out 'and (3) in the case of any State,' and inserting in lieu thereof the following: 'and (3) in the case of any State which is qualified for such quarter (as determined under subsection (c) (1)), an amount equal to 5 per centum of the total of the sums expended during such quarter as old-age assistance under the State plan in the form of medical or any other type of remedial care, not counting so much of any expenditure with respect to any month as exceeds whichever of the following is the smaller—

"(A) \$5 multiplied by the total number of recipients of old-age assistance for such month, or

"(B) the additional expenditure per recipient of old-age assistance for such month (as determined under subsection (c) (2)), multiplied by the total number of recipients of old-age assistance for such month; and (4) in the case of any State,'

"(b) Section 3 of such Act is further amended by adding at the end thereof the following new subsection:

"(c) (1) For the purposes of clause (3) of subsection (a), a State shall be qualified for a quarter if the State agency of such State has submitted, in or prior to such quarter (but in no event prior to the quarter in which this subsection is enacted), a modification of the plan of such State approved under this title which the Secretary is satisfied would result in a significant improvement in old-age assistance in the form of medical or any other type of remedial care under the plan, except that in no event may a State be qualified for a quarter prior to the first quarter for which such modification is effective. Any determination under the preceding sentence with respect to any modification of a State plan shall be based on a comparison with old-age assistance in the form of medical or any other type of remedial care, if any, under the plan during the quarter prior to the quarter in which this subsection was enacted, and in making such determination the Secretary shall take into account the extent to which there would be any reduction in amounts previously included because of medical needs in old-age assistance under the plan in the form of money payments. Such State shall cease to

be qualified for any quarter occurring (1) after the quarter in which the Secretary determines, after notice and opportunity for hearing to the State agency administering or supervising the administration of the State plan of such State, that the improvement referred to in the first sentence of this subsection has (through a change in the plan or in its administration) ceased to be a significant improvement, and (2) prior to the quarter in which such State again qualifies as provided in the preceding sentences.

"(2) For the purposes of clause (3) (B) of subsection (a), the additional expenditure per recipient of old-age assistance in any State for any month means the excess of—

"(A) the quotient obtained by dividing the total of the sums expended in such month as old-age assistance under the State plan in the form of medical or any other type of remedial care by the total number of recipients of old-age assistance under such plan for such month, over

"(B) the quotient obtained by dividing the total of the sums expended in the last month which ended prior to the enactment of this paragraph as old-age assistance under the State plan in the form of medical or any other type of remedial care by the total number of recipients of old-age assistance under such plan for such month."

"(c) Section 6 of such Act is amended by striking out 'but does not include' and all that follows and inserting in lieu thereof 'but does not include—

"(1) any such payments to or care in behalf of any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental diseases, or

"(2) any such payments to any individual who has been diagnosed as having tuberculosis or psychosis and is a patient in a medical institution as a result thereof, or

"(3) any such care in behalf of any individual, who is a patient in a medical institution as a result of a diagnosis that he has tuberculosis or psychosis, with respect to any period after the individual has been a patient in such an institution, as a result of such diagnosis, for forty-two days."

"(d) The amendments made by subsections (a) and (b) shall be effective only with respect to calendar quarters commencing on or after October 1, 1960. The amendment made by subsection (c) shall be effective only with respect to calendar quarters commencing on or after July 1, 1961.

"Planning grants to States"

"Sec. 603. (a) For the purpose of assisting the States to make plans and initiate administrative arrangements preparatory to participation in the Federal-State program of medical services for the aged authorized by title XVI of the Social Security Act, there are hereby authorized to be appropriated for making grants to the States such sums as the Congress may determine.

"(b) A grant under this section to any State shall be made only upon application therefor which is submitted by a State agency designated by the State to carry out the purpose of this section and is approved by the Secretary. No such grant for any State may exceed 50 per centum of the cost of carrying out such purpose in accordance with such application.

"(c) Payment of any grant under this section may be made in advance or by way of reimbursement, and in such installments, as the Secretary may determine. The aggregate amount paid to any State under this section shall not exceed \$50,000.

"(d) Appropriations pursuant to this section shall remain available for grants under this section only until the close of June 30, 1962; and any part of such a grant which has been paid to a State prior to the close of

June 30, 1962, but has not been used or obligated by such State for carrying out the purpose of this section prior to the close of such date, shall be returned to the United States.

"(e) As used in this section, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.

"Technical amendment"

"Sec. 604. Effective July 1, 1961, section 1101(a)(1) of the Social Security Act (as amended by section 541 of this Act) is amended by striking out 'and XIV' and inserting in lieu thereof 'XIV, and XVI'.

On page 195, after line 5, to insert:

"TITLE VI—MEDICAL SERVICES FOR THE AGED
"Amendments to title I of the Social Security Act

"Sec. 601. (a) The heading of title I of the Social Security Act is amended to read as follows:

"TITLE I—GRANTS TO STATES FOR OLD-AGE ASSISTANCE AND MEDICAL ASSISTANCE FOR THE AGED"

"(b) Sections 1 and 2 of such Act are amended to read as follows:

"Appropriation"

"SECTION 1. For the purpose (a) of enabling each State as far as practicable under the conditions in such State, to furnish financial assistance to aged needy individuals and of encouraging each State, as far as practicable under such conditions, to help such individuals attain self-care, and (b) of enabling each State, as far as practicable under the conditions in such State, to furnish medical assistance on behalf of aged individuals who are not recipients of old-age assistance but whose income and resources are insufficient to meet the costs of necessary medical services, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this title. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Secretary of Health, Education, and Welfare (hereinafter referred to as the 'Secretary'), State plans for old-age assistance, or for medical assistance for the aged, or for old-age assistance and medical assistance for the aged.

"State old-age and medical assistance plans"

"Sec. 2. (a) A State plan for old-age assistance, or for medical assistance for the aged, or for old-age assistance and medical assistance for the aged must—

"(1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them;

"(2) provide for financial participation by the State which shall, effective January 1, 1962, extend to all aspects of the State plan;

"(3) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan;

"(4) provide for granting an opportunity for a fair hearing before the State agency to any individual whose claim for assistance under the plan is denied or is not acted upon with reasonable promptness;

"(5) provide such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary to be necessary for the proper and efficient operation of the plan;

"(6) provide that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time require, and comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports;

"(7) provide safeguards which restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of the State plan;

"(8) provide that all individuals wishing to make application for assistance under the plan shall have opportunity to do so, and that such assistance shall be furnished with reasonable promptness to all eligible individuals;

"(9) if the State plan includes old-age assistance—

"(A) provide that the State agency shall, in determining need for such assistance, take into consideration any other income and resources of an individual claiming old-age assistance;

"(B) provide reasonable standards, consistent with the objectives of this title, for determining eligibility for and the extent of such assistance;

"(C) provide a description of the services (if any) which the State agency makes available to applicants for and recipients of such assistance to help them attain self-care, including a description of the steps taken to assure, in the provision of such services, maximum utilization of other agencies providing similar or related services;

"(10) provide, if the plan includes payments of old-age assistance to individuals in private or public institutions, for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for such institutions;

"(11) if the State plan includes medical assistance for the aged—

"(A) provide for inclusion of some institutional and some noninstitutional care and services;

"(B) provide that no enrollment fee, premium, or similar charge will be imposed as a condition of any individual's eligibility for medical assistance for the aged under the plan;

"(C) provide for inclusion, to the extent required by regulations prescribed by the Secretary, of provisions (conforming to such regulations) with respect to the furnishing of such assistance to individuals who are residents of the State but are absent therefrom;

"(D) include reasonable standards, consistent with the objectives of this title, for determining eligibility for and the extent of such assistance;

"(E) provide that no lien may be imposed against the property of any individual prior to his death on account of medical assistance for the aged paid or to be paid on his behalf under the plan (except pursuant to the judgment of a court on account of benefits incorrectly paid on behalf of such individual), and that there shall be no adjustment or recovery (except, after the death of such individual and his surviving spouse, if any, from such individual's estate) of any medical assistance for the aged correctly paid on behalf of such individual under the plan.

"(b) The Secretary shall approve any plan which fulfills the conditions specified in subsection (a), except that he shall not approve any plan which imposes, as a condition of eligibility for assistance under the plan—

"(1) an age requirement of more than sixty-five years; or

"(2) any residence requirement which (A) in the case of applicants for old-age assistance, excludes any resident of the State

who has resided therein five years during the nine years immediately preceding the application for old-age assistance and has resided therein continuously for one year immediately preceding the application, and (B) in the case of applicants for medical assistance for the aged, excludes any individual who resides in the State; or

"(3) any citizenship requirement which excludes any citizen of the United States."

"(c) Section 3(a) of such Act is amended to read as follows:

"Sec. 3. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has a plan approved under this title, for each quarter, beginning with the quarter commencing October 1, 1960—

"(1) in the case of any State other than Puerto Rico, the Virgin Islands, and Guam, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof)—

"(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of \$30 multiplied by the total number of recipients of old-age assistance for such month (which total number, for purposes of this subsection, means (i) the number of individuals who received old-age assistance in the form of money payments for such month, plus (ii) the number of other individuals with respect to whom expenditures were made in such month as old-age assistance in the form of medical or any other type of remedial care); plus

"(B) the Federal percentage (as defined in section 1101(a)(8)) of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of \$65 multiplied by the total number of such recipients of old-age assistance for such month; plus

"(C) the larger of the following: (i) the Federal medical percentage (as defined in section 6(c)) of the amount by which such expenditures exceed the maximum which may be counted under clause (B), not counting so much of any expenditure with respect to any month as exceeds (I) the product of \$77 multiplied by the total number of such recipients of old-age assistance for such month, or (II) if smaller, the total expended as old-age assistance in the form of medical or any other type of remedial care with respect to such month plus the product of \$65 multiplied by such total number of such recipients, or (ii) 15 per centum of the total of the sums expended during such quarter as old-age assistance under the State plan in the form of medical or any other type of remedial care, not counting so much of any expenditure with respect to any month as exceeds the product of \$12 multiplied by the total number of such recipients of old-age assistance for such month; and

"(2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to—

"(A) one-half of the total of the sums expended during such quarter as old-age assistance under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof), not counting so much of any expenditure with respect to any month as exceeds \$35 multiplied by the total number of recipients of old-age assistance for such month; plus

"(B) the larger of the following amounts: (i) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds (I) the

product of \$41 multiplied by the total number of such recipients of old-age assistance for such month, or (II) if smaller, the total expended as old-age assistance in the form of medical or any other type of remedial care with respect to such month plus the product of \$35 multiplied by the total number of such recipients, or (ii) 15 per centum of the total of the sums expended during such quarter as old-age assistance under the State plan in the form of medical or any other type of remedial care, not counting so much of any expenditure with respect to any month as exceeds the product of \$6 multiplied by the total number of such recipients of old-age assistance for such month; and

"(3) in the case of any State, an amount equal to the Federal medical percentage (as defined in section 6(c) of the total amounts expended during such quarter as medical assistance for the aged under the State plan; and

"(4) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of old-age assistance to help them attain self-care."

"(d) Section 3(b)(2)(B) of such Act is amended by striking out 'old-age assistance' and inserting in lieu thereof 'assistance'."

"(e) Section 4 of such Act is amended by striking out 'State plan for old-age assistance which has been approved' and inserting in lieu thereof 'State plan which has been approved under this title'."

"(f) (1) Section 6 of such Act is amended (A) by striking out 'tuberculosis or psychosis' and inserting in lieu thereof 'pulmonary tuberculosis or psychosis', (B) by striking out '(a)' and inserting in lieu thereof '(1)', and (C) by striking out '(b)' and inserting '(2)' in lieu thereof.

"(2) Section 6 is further amended by inserting '(a)' immediately after 'Sec. 6.' and by adding after such section 6 the following new subsections:

"(b) For purposes of this title, the term 'medical assistance for the aged' means payment of part or all of the cost of the following care and services for individuals sixty-five years of age or older who are not recipients of old-age assistance but whose income and resources are insufficient to meet all of such cost—

"(1) inpatient hospital services;
 "(2) skilled nursing-home services;
 "(3) physicians' services;
 "(4) outpatient hospital or clinic services;
 "(5) home health care services;
 "(6) private duty nursing services;
 "(7) physical therapy and related services;

"(8) dental services;
 "(9) laboratory and X-ray services;
 "(10) prescribed drugs, eyeglasses, dentures, and prosthetic devices;

"(11) diagnostic, screening, and preventive services; and

"(12) any other medical care or remedial care recognized under State law;

except that such term shall not include any payments with respect to care or services for any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual (A) who is a patient in an institution for tuberculosis or mental diseases, or (B) who has been diagnosed as having pulmonary tuberculosis or psychosis and is a patient in a medical institution as a result thereof.

"(c) For purposes of this title, the term 'Federal medical percentage' for any State shall be 100 per centum less the State percentage; and the State percentage shall be

that percentage which bears the same ratio to 50 per centum as the square of the per capita income of such State bears to the square of the per capita income of the continental United States (including Alaska) and Hawaii; except that (1) the Federal medical percentage shall in no case be less than 50 per centum or more than 80 per centum, and (2) the Federal medical percentage for Puerto Rico, the Virgin Islands, and Guam shall be 50 per centum. The Federal medical percentage for any State shall be determined and promulgated in accordance with the provisions of subparagraph (B) of section 1101(a)(8) (other than the proviso at the end thereof); except that the Secretary shall, as soon as possible after enactment of the Social Security Amendments of 1960, determine and promulgate the Federal medical percentage for each State—

"(1) for the period beginning October 1, 1960, and ending with the close of June 30, 1961, which promulgation shall be based on the same data with respect to per capita income as the data used by the Secretary in promulgating the Federal percentage (under section 1101(a)(8)) for such State for the fiscal year ending June 30, 1961 (which promulgation of the Federal medical percentage shall be conclusive for such period), and

"(2) for the period beginning July 1, 1961, and ending with the close of June 30, 1963, which promulgation shall be based on the same data with respect to per capita income as the data used by the Secretary in promulgating the Federal percentage (under section 1101(a)(8)) for such State for such period (which promulgation of the Federal medical percentage shall be conclusive for such period)."

"Increase in limitations on assistance payment to Puerto Rico, the Virgin Islands, and Guam"

"Sec. 602. Section 1108 of the Social Security Act is amended by—

"(1) striking out '\$8,500,000' and inserting in lieu thereof '\$9,000,000, of which \$500,000 may be used only for payments certified with respect to section 3(a)(2)(B)';

"(2) striking out '\$300,000' and inserting in lieu thereof '\$315,000, of which \$15,000 may be used only for payments certified in respect to section 3(a)(2)(B)';

"(3) striking out '\$400,000' and inserting in lieu thereof '\$420,000, of which \$20,000 may be used only for payments certified in respect to section 3(a)(2)(B); and

"(4) striking out 'titles I, IV, X, and XIV', and inserting in lieu thereof 'titles I (other than section 3(a)(3) thereof), IV, X, and XIV'."

"Technical amendment"

"Sec. 603. (a) Section 618 of the Revenue Act of 1951 (65 Stat. 569) is amended by striking out 'title I' and inserting in lieu thereof 'title I (other than section 3(a)(3) thereof)';

(b) The amendment made by subsection (a) shall take effect October 1, 1960.

"Effective dates"

"Sec. 604. The amendments made by section 601 of this Act shall take effect October 1, 1960, and the amendments made by section 602 shall be effective with respect to fiscal years ending after 1960."

Under the heading "TITLE VII—MISCELLANEOUS", on page 213, line 10, after "Sec. 704.", to strike out "(a)"; after line 23, to strike out: "(b) Section 116 of the Social Security Amendments of 1956 is further amended by adding at the end thereof the following new subsection:

"(f) The Advisory Council appointed under subsection (e) during 1963 shall, in addition to the other findings and recommendations it is required to make, include in its report its findings and recommendations with respect to extensions of the coverage of

the old age, survivors, and disability insurance program, the adequacy of benefits under the program, and all other aspects of the programs."

On page 214, line 11, after the word "Medical", to strike out "Services" and insert "Assistance"; in line 16, after the word "Medical", to strike out "Services" and insert "Assistance"; in line 23, after the word "medical", to strike out "services" and insert "assistance"; on page 215, line 4, after the word "medical", to strike out "services" and insert "assistance"; on page 217, line 14, after the word "of", to strike out "\$20,000,000" and insert "\$25,000,000", and on page 220, after line 13, to insert:

"Aid to the blind"

"Sec. 710. (a) Effective for the period beginning with the first day of the calendar quarter which begins after the date of enactment of this Act, and ending June 30, 1961, clause (8) of section 1002(a) of the Social Security Act is amended to read as follows: '(8) provide that the State agency shall, in determining need, take into consideration any other income and resources of the individual claiming aid to the blind; except that, in making such determination, the State agency shall disregard either (i) the first \$50 per month of earned income, or (ii) the first \$1,000 per annum of earned income plus one-half of earned income in excess of \$1,000 per annum';

"(b) Effective July 1, 1961, clause (8) of such section 1002(a) is amended to read as follows: '(8) provide that the State agency shall, in determining need, take into consideration any other income and resources of the individual claiming aid to the blind; except that, in making such determination, the State agency shall disregard the first \$1,000 per annum of earned income plus one-half of earned income in excess of \$1,000 per annum';"

Mr. JAVITS obtained the floor.

Mr. JAVITS. Mr. President, I am grateful to the Senator from Virginia for allowing me to get the floor, so that I might, as early as convenient, speak on a very important, principal amendment which I desire to offer to the bill. I desire to express my appreciation to him. Everyone knows that the distinguished Senator from Virginia could have prior recognition to almost any Member of this body except the leaders. I simply wished to call attention to that fact.

Mr. President, I send to the desk sundry amendments to the bill, and ask that they lie on the desk and be printed, under the rule. I submit the amendments on behalf of myself and my colleague from New York [Mr. KEATING]. The amendments relate to the social security and unemployment compensation aspects of the bill.

The PRESIDING OFFICER. The amendment will be received, and will lie on the table and will be printed.

Mr. JAVITS. Mr. President, I also send to the desk, on behalf of myself, the Senator from Kentucky [Mr. COOPER], the Senator from Pennsylvania [Mr. SCOTT], the Senator from Vermont [Mr. AIKEN], the Senator from Hawaii [Mr. FONG], the Senator from New York [Mr. KEATING], the Senator from California [Mr. KUCHEL], the Senator from Vermont [Mr. PROUTY], and the Senator from Massachusetts [Mr. SALTONSTALL], as cosponsors, an amendment to which I shall address my remarks. I ask that the amendment be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, and will be printed and will lie on the table.

Mr. KERR. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. KERR. Mr. President, I ask unanimous consent that during the consideration of the bill amending the Social Security Act, on Monday and thereafter, Miss Helen E. Livingston and Mr. Frederick B. Arner, assigned to the staff of the Finance Committee, have the privilege of the floor, in order to be available as sources of information to Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, will the Senator from Oklahoma include in his request the chief actuary of the Social Security Administration?

Mr. KERR. I thought that had already been done. But, if not, I am happy to include in the request Mr. Robert J. Myers.

Mr. JAVITS. I point out that the request in regard to Mr. Myers applied only to today, whereas I believe it desirable that he have the privilege of the floor during all of this debate.

Mr. KERR. Certainly.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JAVITS. Mr. President, the major principle underlying all the measures in this field that now are before us is now generally accepted—namely, that Federal aid is necessary to provide our citizens over 65 with adequate health care. Practically all Members of the Senate are agreed on this point, Mr. President. The question before us now really is how shall we do it, not whether we shall do it at all. If there was any question about this, it was settled in the policy planks adopted at the recent national conventions by both parties. The Republican Party is pledged to the adoption of a contributory health program for the aged with Federal aid to give protection against burdensome costs of health care, and with the beneficiaries having the option of purchasing private health insurance. The Democratic Party pledge calls for the use of the contributory machinery of the Social Security System to cover hospitalization and other high cost medical services.

Today, I wish to describe the amendment I have sent to the desk, to be printed and to lie on the table. I hope to call up the amendment before I conclude my remarks. It is submitted by me, and is jointly sponsored by eight other Senators I have named; and I believe our amendment is the best means for accomplishing at this session Federal aid for health care for our older citizens. In that connection, I emphasize the words "at this session." The principles of this amendment are incorporated in the bill introduced by me, with Senators COOPER, SCOTT, FONG, AIKEN, KEATING, and PROUTY, as cosponsors, and in the administration bill introduced by Senator SALTONSTALL. I should like to point out that we have now arrived at a point, with the Senator from Massachusetts

[Mr. SALTONSTALL], where my basic position on this bill has been combined with that of the administration, which had put forward its own bill by means of the Senator from Massachusetts; and therefore I am offering this measure as a reconciliation of both points of view.

This amendment provides basic preventive care, regardless of whether the recipient is on social security, at a reasonable cost to the Federal and State Governments. It covers all over 65 of modest income; it gives preventive care, including private physicians services; it preserves the existing relation between doctor and patient; it encourages existing medical plans; and it assures fiscal security and responsibility.

First, I should like to point out that I have not newly arrived at these principles, nor have my colleagues. As far back as 1949, over a decade ago, I introduced in the Congress a National Health Act. My cosponsors include—interestingly enough—Vice President Nixon, then a Member of the House of Representatives, and Secretary of State Herter, who, also, was then a Member of the House of Representatives, together with Senator Case, Senator Scott, and Senator Morton, who likewise at that time were Members of the House, and now are Members of this body—as events have turned out, a rather impressive group of cosponsors.

The principles of the National Health Act were the same as the principles which I and my cosponsors are now espousing in this amendment. The 1949 bill—and, incidentally, let me say that when I first came to this body, that bill was sponsored by Senator Ives, of New York—rested on the basic principle that Federal and State resources should be used to make available membership in voluntary prepayment plans to everyone, regardless of age or financial condition, and scaled to the subscribers' actual income, rather than to a flat-rate premium. Government funds would be used to make up the difference between the aggregate subscribers' payments and the actual cost of furnishing health services benefits to extend beyond hospital and major medical care. This bill was introduced as an alternative to the then Ewing health plan, which many will recall.

Mr. President, the amendment which I have just now had printed is the only one before us which places the emphasis where it belongs; namely, on preventive care. I wish to emphasize that point; and I repeat that this amendment is the only one which places the emphasis on medical care, which is where the emphasis belongs. Under the option set forth in my amendment, provision is made, as a minimum—and it is a minimum; and in a moment I shall explain what I mean in that connection—for 12 home or office visits by a physician; the first \$100 of ambulatory, diagnostic, laboratory or X-ray services; 24 visiting home nurse service calls as prescribed by a physician; and when necessary—and, Mr. President, I wish to point out that by the words "when necessary," I mean on the certification of a physician—21 days of hospital or equivalent nursing home care. These are benefits based on

actual need as shown in U.S. medical use statistics for our older citizens.

This is a first cost program which puts the individual in a position where he can obtain protection in advance of the hazards of chronic illness. Everyone 65 years of age or over is eligible to subscribe, if his income reported for income tax is not over \$3,000 a year, for a single person, and \$4,500 for couples, and if he is not a beneficiary for medical care under the other provisions of the main bill—in other words, if he is not a recipient of old-age assistance payments or if he is not among the medically needy who already are covered by the Kerr-Frear amendments which now are before us.

There is no deductibility and there is no coinsurance for basic preventive care coverage. The subscriber gets the benefit of it at once, as soon as he needs it; and, most importantly, the program is fully adequate, from a medical point of view, for the average health care needs of the older citizens.

By giving priority to preventive care, as sound medical practice dictates, we do not run the danger of overutilization of hospital and other institutional facilities.

I digress to point out I cannot conceivably overemphasize that danger. I point out the approach which is taken in the Anderson amendment—sincere as I know it is, and laudable in every sense, because I know Senators concerned in it are just as sincere to do something in this field as I am—the Anderson amendment nevertheless concentrates upon hospital care. Anyone who has had experience with hospital institutions, especially in the big cities, and I understand even in smaller places in other parts of the country than my own, knows they are already chock full. There are already waiting lists and waiting lines. To add this staggering responsibility, therefore—that in order to get benefits a person just has to go to a hospital—will break down the whole system. I can think of nothing more cruel than to offer to our elderly people a plan which we know in advance had this basic defect.

On the other hand, physicians' care is practical and simple to obtain, and physicians are not compelled to send their patients to hospitals in order to get the treatment they need. The other provisions all are designed to further the objectives of preventive medical care, despite the wide variation in medical facilities in each of the 50 States.

Again, I should like to emphasize another strong point of our amendment. It is based on what can be done in every State separately, treating the State as a unit. This, too, will take account of the medical facilities and capabilities in each State, so that what we promise an individual we will perform.

For the individual described, who feels that he can pay for his own preventive care, but wants to protect himself against a lengthy illness, there is an option enabling him to subscribe to a plan to pay for major portions of the cost of long-term, catastrophic, or other expensive illness. This, it will be recalled, was essentially the administration's approach, which I have now added to my original bill.

This alternative plan provides for a minimum of 120 days of hospitalization, up to a year of skilled nursing-home services, and of organized home health care services, and for surgical services in the hospital—any or all to the extent of 80 percent of the cost of the services after incurring expenses of \$250 for any or all of such services in any one year. In other words, it is a coinsurance and deductible plan of 80 percent and \$250, but the State is free to reduce the deductibility factor in the plan it offers.

I wish to emphasize that both of the service benefit packages which I have described for preventive care and for catastrophic illness establish minimum benefits. The maximums are regulated only by the amount of money which the Federal Government will contribute as its share; and I will come to the financial details in a few moments.

In addition to the two options which I have described for the individual, there is a third option: A covered individual over 65 who does not enroll in a State administered medical plan may receive 50 percent of his premium expense for a private health insurance policy approved by the State, but not in excess of \$60 a year.

These three options are available to all over 65 with incomes under the maximum set forth, except those receiving benefits under the old-age assistance program. I refer to the Kerr-Frear provisions.

It is estimated that, aside from 2.4 million over 65 receiving old-age assistance, coverage under our amendment will be available to 11 million of those over 65. That exceeds over 2 million people over 65 who are not referred to in these figures. They are the ones who are either very well off financially, and can take care of their medical care, or the indigent, who come under other provisions of the Kerr-Frear bill. But, for practical purposes, the Senator from New Mexico [Mr. ANDERSON], the Senator from Michigan [Mr. McNAMARA], myself, or any other Senator who has an idea on how to deal with the medical care for the aged, will be dealing with a potential of 11 million people.

As to the latter, the bill which is before us would provide health care, or an opportunity for care, to those 11 million people over 65. Again I wish to make it perfectly clear that nothing in my amendment will subtract or detract from the health care provisions which are in the bill before us, the so-called Kerr-Frear provisions.

I have referred, in describing these benefit packages, to minimum services in which the Federal Government would make its contribution, as well as the States, and, to a modest extent, the subscriber.

The Federal Government, under our plan, will be able to contribute to an expanded benefit package up to an aggregate cost of \$128 a year.

The minimum package which I have described is estimated, generally, throughout the country, for both preventive care and catastrophic illness, to cost \$90 a year.

An example of the maximum package, at \$128 a year, of maximum medical benefits under preventive care, would be: physicians' services, 12 days office and home; inpatient hospital services, 45 days; unlimited ambulatory X-ray and laboratory services; and unlimited organized home health care services; skilled and nursing home services, 135 days.

That is the maximum possible, considering the country as a whole, under the \$128 cost, which would be the roof eligible for Federal contribution.

Similar maximum benefits under the long-term illness program, under this \$128 ceiling, consist of hospital care, 180 days; skilled and nursing home care, 365 days, or 1 year; organized home care service, the same, 365 days; surgical procedures; laboratory and X-ray services, up to \$200; physicians' services; dental services; prescribed drugs, up to \$350; private duty nurses and physical restoration services.

In short, that is probably the most elaborate package anyone has thought about for the aged to be available to an individual over 65 years of age who feels he does not need preventive care—he can look after that—who feels he can look after the first \$250 of his own costs, in terms of catastrophic illness, and then he gets 80 percent of the cost of this tremendous package of benefits.

I point that out because it indicates this is a plan which is tailored to actuality, not to what can we do for the aged, but to the actual needs of the aged.

There are some who want preventive care, from the first dollar cost, from the word "go." They would be without any coinsurance, without any deductibility under the law. There are others who can take care of themselves unless they run into a bad situation, and it is for them we want to have a comprehensive package, and that is the maximum package I have offered.

There is no other proposal before this session of the Congress which meets all the desirable conditions and can provide all the benefits to as many people and as quickly as this amendment. First, it builds upon what the States have in the way of facilities—and they differ very materially among the States.

Second, it is a general revenue plan, not a social security measure. Mr. President, I think the hard nut of the issue is, Do we wish to inaugurate in the social security system what is, for all practical purposes, a health care scheme? I would not say it is exactly what the British do, but it is very much like it. The point is that we would for the first time inaugurate a system by which we would have a national responsibility for the health care of the people.

We are now starting with the aged over 68, but once we have imbedded it so fundamentally into the responsibility of the Government in terms, at the very best, of a government insurance program, of course it will develop, without any question. If the Congress makes this very fundamental decision in principle, it should develop. I would be opposed to inaugurating it in this way, because I think it is unsound and unwise

in terms of the organization of our country.

Mr. President, I should like to interject another thought. I know those who favor the social security idea are men of conscience, and I think they should reflect on one item in this matter, namely, is a social security system for medical care a system which is apposite to the traditions of and to the general attributes of American life? Is it a system congenial to American life, to the American way of living, to the American way of dealing with doctors and medical care generally?

I hasten to refute any idea that a social security approach is "un-American." Of course it is not. I only point out that the question of context, of the way in which we live, our national attitudes, is an important consideration in making what is really a very fundamental and a very important sociological decision. I wish to emphasize that point. I shall not go to Bermuda, nor will grass grow in the streets, if the Congress decides that way, but I think it would be a profound and important departure from anything we have ever done before, with great sociological implications. I therefore urge my colleagues who are thinking about it, and I know many are, to consider it in those terms as well.

The contributory principle, which I have adopted, is nothing new. It is in the bill now, as a matter of fact. The Kerr-Frear proposals represent nothing more than the extension of the contributory principle, by which Federal and State governments contribute to a desirable social welfare plan.

Another difficulty, as I view the matter, with respect to the social security idea, relates to the fact that it is interesting to me to find that so many of my liberal friends—not only my liberal friends, but also my liberal brothers in arms—espouse the social security idea, which seems to me to be a reversal of our own thinking, because the general revenue approach spreads the responsibility among all the people who are able to pay, in proportion to their ability to pay, whereas the social security approach is practically a sales tax approach. It will tax those at the lowest end of the economic totem pole, who, we always say in terms of general welfare measures, are the least able to pay. Interestingly enough, it would exclude an estimated 40 percent of the income of individuals from any responsibility for a health care program. That, in itself, seems to me to be inappropriate.

I would say that the Kerr-Frear proposals take that very principle into consideration and carry it out to the limited extent to which they endeavor to carry out the medical care program.

I observe that the Senator from Oklahoma [Mr. KERR] is present in the Chamber. I should like to repeat for him what I said before. I am all for his program. I think it is absolutely essential. I think we have to take a further step. I am trying to propose an addition, using the same principle. Since the question of need is not involved, this represents, in an efficient way, the necessary next step. I think it is a very happy thing which the Senator has done for

all of us, in stripping the bill of all the argument about the old-age assistance people and the medically indigent people. The Senator has done that and has done it very well. I think we are all content with it.

We can go on. We can really concentrate upon the fundamental issue, which I have stated to be this: There is a great body of Senators, in my opinion—perhaps it does include the Senator from Oklahoma [Mr. KERR], but we all love him, respect him, and have the greatest respect for his sincerity—which I think is a solid majority, who desire to do something for the aged beyond what would be done by the bill which has been presented. I think the real issue is going to be whether we shall do it by the social security route, breaking totally new sociological ground, or whether we shall do it by the traditional contributory system, which is the same system employed by the Senator from Oklahoma. I am arguing for the latter. Stripped down, that is essentially my case.

Mr. President, the cost question, of course, is vitally important. We already have an estimate of cost on the Kerr-Frear measure, which is now in the bill, of \$200 million a year. Under my program, which is proposed in the amendment, the medium cost for the Federal Government for the plan is estimated by me—I shall give the estimate of the technicians in a minute—at \$450 million a year. The reason I differentiate my estimate from that of the technicians is that the technicians give me a figure of estimated participation of 75 percent, which would mean the participation of 8,250,000 people. The technicians give me a figure on the minimum package which is referred to in my amendment of about \$360 million from the Federal Government. They give me a figure, on the maximum package, of about \$462 million from the Federal Government.

Taking into consideration all of the uncertainties—whether 75 percent or more will be covered—and the variations among the several States as to the types of plans which the States would propose, I think a "fair shot" at it, which is perhaps a little on the high side, is \$450 million per annum as the cost of what I am proposing to the Federal Government at such time as there is full use of the potential participation involved.

There is one other point which I should like to emphasize about my approach to the problem. I call in the amendment for some cost to the subscriber. Let us remember that the medically indigent and the old-age assistance people are to be looked after. We are seeking to deal with people who have some modest income. I call for a cost to the subscriber which is 10 percent of the cost of the package. We have a right to assume that will be somewhere between \$9 a year and \$12.80 a year. These are the lower and upper limits of the package.

I should like to make a point on the question of subscription which I think is important. Many people in this whole situation are worried about the program running away. The British had that experience. People worry about the program becoming a matter of competition,

politically or otherwise—probably politically. There may be a question of, perhaps, who will do more in terms of the benefit package. Some are worried about malingering and lots of other abuses.

It seems to me when we charge even a modest amount to the subscriber we introduce a note of dignity, a note of personal responsibility, a note of insurance participation which is very attractive. In view of the fact that the amounts involved are very small—I am thinking of people with modest income when I say "very small"—I think this gives us a desirable addition, and at the same time gives us a little help as to the cost of the program.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. PROXMIRE. First, even though I oppose the Senator from New York on this issue, I wish to congratulate him for this constructive and positive proposal. I think it represents an advance which has a great deal of merit. I know the Senator from New York is not one of those who are coming forward with a program because there is a lot of pressure for a health insurance program for the aged. The Senator from New York has been presenting this program for many years. As I understand, in 1949 the Senator introduced a similar program when he was a Member of the House of Representatives. This is nothing new for him.

I should like to ask the Senator from New York whether the only eligibility criterion would be income. Would there be any property criterion whatever?

Mr. JAVITS. None whatever.

Mr. PROXMIRE. Any liens on property?

Mr. JAVITS. None whatever.

Mr. PROXMIRE. It would be entirely income.

Mr. JAVITS. Entirely income.

Mr. PROXMIRE. The income would be \$60 a week for an individual. If a person earned or received less than \$60 a week he would be eligible? The figure would be \$90 for a couple, roughly?

Mr. JAVITS. That is correct.

Mr. PROXMIRE. If an individual received \$65 a week or \$75 a week or \$80 a week, or his family received \$100 or more a week, he would not be eligible, is that correct?

Mr. JAVITS. That is correct.

Mr. PROXMIRE. So even if a person were afflicted with an illness which cost thousands of dollars a year, he could not qualify under the Senator's program unless he could show that his income was very modest—in the \$60 or less a week range?

Mr. JAVITS. That is true. But is it not also true that then we would get into the range of people who are generally covered? Remember that there are 127 million people covered by various types of health insurance, and we do not expect the Federal Government to shepherd them all.

I point out to the Senator that I think the Senator is making entirely valid points, and that the Senator is correct actuarially speaking, that the overwhelming majority of those over 65 come

within the \$3,000 and the \$4,500 limits. The exclusion at the most is something within the area of about 2¼ million maximum.

Mr. PROXMIRE. So there are 2¼ million Americans who make more than \$60 a week or more than \$90, with respect to families, over 65 years of age, who may have health problems, which so many older people are likely to have, who would not be covered under the proposal of the Senator from New York?

Mr. JAVITS. They would not be covered under my proposal. The only point I make is that they are people who are able to be covered privately, and it seems to me a governmental proposal involving under anyone's system important governmental contribution should try to confine itself to some area in which people cannot otherwise help themselves.

Mr. PROXMIRE. Does the Senator believe that the social security system itself, which provides a pension for everyone who works, whether he earns over \$60 a week or over \$90 a week, whether they have that kind of income after they get older or not, should be modified and should apply only to those who can come in and pass an income test?

Mr. JAVITS. I point out to the Senator that if a person earns over \$1,800 a year, even under the bill, he will not receive any social security.

Mr. PROXMIRE. The Senator knows perfectly well that under the social security program a man can have an income of \$10,000 and receive his \$10,000 income provided he does not earn it as wages or salary. After 72, a man may go out and earn by the sweat of his brow any amount and he is still eligible for social security; is that correct?

Mr. JAVITS. That is correct. But the Senator has glossed very quickly over the fact that if that individual earns over \$1,800 a year, he gets no social security.

Mr. PROXMIRE. Between ages 65 and 72.

Mr. JAVITS. That is correct. That applies to about 2 million people right now. So the numbers are roughly equivalent. It is not an argumentative figure. I am trying to state my facts and figures authoritatively. So they just about balance out. It is a fact now that about 2 million people do not collect social security because they earn over \$1,800 a year. So the social security system itself—not that I admit it, is analogous—accommodates that kind of application.

Mr. PROXMIRE. I think the applications are very important. If a person has an income from rent or from an annuity or from any of many kinds of sources of income, which many older people have, he still gets his social security check no matter how large his income. If a person is over 72, he can earn all the money he wishes by the sweat of his brow and still receive his social security check. And most important of all, of course, an elderly person can live on a small income if he is well. It is when he is ill that he needs the additional help and he needs it as desperately if he earns \$100 a week as if he earns \$60 a week, if he suffers a prolonged costly illness.

I should like to come to what I think is the fundamental issue, and I think the

Senator stated it very clearly when he said, "The hard nut of the issue is between using the social security system and not using it." I think the Senator's test is a much more attractive test than the usual means test that the States apply with respect to property, insisting on liens and pauper's oaths. The Senator from New York very properly does not insist upon that procedure.

Mr. JAVITS. Will the Senator allow me to interrupt to nail down that point. I agree entirely with the Senator from Wisconsin and his fellow liberals on that point.

Mr. PROXMIRE. Nevertheless, the Senator would apply an income test. An individual would have to prove that not only his earnings but his income was less than \$3,000 a year.

Mr. JAVITS. Yes. Will the Senator allow me to qualify that statement. We have simplified the procedure greatly by relying solely on the income tax return, and the bill so provides. If a man files an income tax return, that settles the question. If he violates the law, and does not file, we will not pursue that point.

Also the mere certification in his income tax return that he shows no more than X dollars would be enough to qualify him. He would not have to give us the return or anything else. The amendment is clear on that point, and it is a simple proposition. I only wanted to clarify the procedure.

Mr. PROXMIRE. I think one of the most attractive and helpful features of the Senator's approach is the one he mentioned last. He said the plan provided a little dignity because the participants would be required to contribute 10 percent of the cost of the premium. I think that is fine. However, the great advantage of the social security approach, it seems to me, is that it provides a great deal of dignity to the person who participates in this program, because he knows that he has earned it. He has earned it by his own contribution over his lifetime to social security. He has earned it because his employer in hiring him really, as part of his wage, has contracted to pay into the social security fund, and while initially people who had not made a contribution in this way would qualify over the years, all those who would receive this benefit would have made the contribution themselves and would receive the benefits as a matter of right. It would be theirs, because they had made their contribution and had earned it. There would be no element of charity. There would be no element of the State or the Federal Government handing out money because they felt sorry for people. Americans could be proud of the fact that during their lifetime they had worked and contributed to the fund, and that they had earned the right, when they retired, to have health insurance.

Mr. JAVITS. The argument of the Senator from Wisconsin is rather surprising, because I have not heard him say that it is charity to give high, fixed farm supports or checks for the conservation of land. I have not heard him say that such support represents the fact that the United States is sorry for the indi-

viduals who are getting the checks. There are all kinds of programs costing billions of dollars for which the Federal Government is paying, and paying directly to people, programs which we all fight for and think are right. They represent no demeaning of the individual's dignity.

My point is that my approach would give the individual a vested stake in where this money went. It does not fail to have some terminal points in the sense of responsibility with respect to it.

I will not say for a minute that there is nothing to be said for the social security approach, that it is all wrong, and that it is the greatest vice mankind ever saw. Of course not. That is nonsense. The only point I make is that on balance, taking all of the arguments for the social security system and all of the arguments for this system, and considering the sociological break with the past which the social security system in health would represent, I believe my program is preferable for our country.

In other words, I am not trying to devastate the Senator from Wisconsin with my argument. I think there is an answer to his particular point and I have made it. But I also wished to point out that this is one of the questions that he and others like him will argue most sincerely as being a strong point in favor of their plan.

Mr. PROXMIRE. May I say that every farmer in Wisconsin, every farmer in New York, and every farmer in the country deplores the subsidy aspects of our farm program and wants to get out from under subsidy as soon as possible, hoping that it is but a temporary expedient. Also, a farmer does not consider commodity credit loans entirely as a subsidy to himself but as a way to solve a serious national problem.

I do not wish to detain the Senator. I have a few more questions. I think

this is a worthy proposal although I am inclined to disagree with it at the moment.

The Senator estimates that the plan will cost about \$450 million a year to the Federal Government in addition to the cost of the Kerr-Frear proposal, which I understand is \$212 million, or a total of some \$662 million a year additional cost to the Federal Government.

Mr. JAVITS. I do not think the Senator is correct about the cost of the Kerr-Frear proposal. It is estimated in the Record to be \$200 million. The Senator is close enough.

Mr. PROXMIRE. I conferred with the Senator from Oklahoma. He told me it would be \$142 million for the first part of his proposal and \$70 million for the second part. He said that the cost to the States for his program would be approximately \$71 million. The Senator from New York, I presume, assumes the cost to the State would be \$450 million for his proposal. The Kerr-Frear proposal would cost the States \$71 million. The Javits bill would be on top of that. So the Javits approach according to the author's estimates would be \$520 million in added cost to the States. Somehow, somewhere we will need to find an additional \$1,182 million of Federal and State money to pay for this Republican proposal. That means an increase of \$662 million in Federal taxes and \$520 million in State taxes.

I wish to state to the Senator from New York that although I have great faith in our Wisconsin Governor, who is a close friend of mine and a Democrat, and in the Wisconsin Legislature, all of whom are sympathetic to the problems of the old people, I am not so sure they can come up with an additional \$10 million or \$12 million for this purpose in Wisconsin.

I am sure, while this is true of Wisconsin, it is true also of many other

States. I should like to ask the Senator how many States, in his judgment, would come through with a program this year and how many States would come through within the next 2 or 3 years with a program of the kind he proposes. Where would the money come from? Many of these States are in very serious trouble. The State of the Senator from New York is better off than most States, but many States are in a serious plight. Many of them would have a very difficult problem in raising the kind of money the Senator would have them try to raise under his proposal.

Mr. JAVITS. The figures for Wisconsin, upon which my estimates are based, show for the minimum package a State contribution of \$7.8 million, and for the maximum package a contribution of \$12.3 million.

Mr. PROXMIRE. A median of \$10 million.

Mr. JAVITS. That is fairly accurate. Practically all the States have entered into the medical-care aspects of the old-age assistance program, and I believe with all sincerity that the amounts are not so large that they could not be found for so desirable a program which gives such great benefits to their people beyond the competence of the respective States.

In order to make clear the figures, I ask unanimous consent that there may be included in the Record at this point a chart prepared for me by the Government agencies, at my request, without any implication as to their favoring my amendment, based upon an 8¼-million participation, of the total Government cost, the Federal cost, and the State cost, based upon the minimum package and the maximum package referred to in my remarks.

There being no objection, the chart was ordered to be printed in the Record, as follows:

Estimated annual costs under Javits amendment to H.R. 12580 providing for medical services for the aged

	Number of participants ¹	"Minimum" package			"Maximum" package				Number of participants ¹	"Minimum" package			"Maximum" package		
		Total Government cost	Federal cost	State cost	Total Government cost	Federal cost	State cost			Total Government cost	Federal cost	State cost	Total Government cost	Federal cost	State cost
		Thous- ands	Mil- lions	Mil- lions	Mil- lions	Mil- lions	Mil- lions			Thous- ands	Mil- lions	Mil- lions	Mil- lions	Mil- lions	Mil- lions
United States.....	8,250	\$671.8	\$320.4	\$351.4	\$950.4	\$462.8	\$487.6	Montana.....	34	\$2.5	\$1.3	\$1.2	\$3.9	\$2.0	\$1.9
Alabama.....	105	7.6	5.1	2.5	12.1	8.1	4.0	Nebraska.....	80	5.4	3.1	2.3	9.2	5.3	3.9
Alaska.....	2	.2	.1	.1	.2	.1	.1	Nevada.....	8	.7	.3	.4	.9	.3	.6
Arizona.....	38	3.0	1.7	1.3	4.4	2.5	1.9	New Hampshire.....	38	3.0	1.6	1.4	4.4	2.4	2.0
Arkansas.....	85	5.7	3.8	1.9	9.8	6.5	3.3	New Jersey.....	320	26.0	10.0	16.0	36.9	14.1	22.8
California.....	611	60.8	22.8	38.0	70.4	26.4	44.0	New Mexico.....	20	1.6	1.0	.6	2.3	1.4	.9
Colorado.....	65	5.0	2.6	2.4	7.5	3.9	3.6	New York.....	924	79.8	29.8	50.0	106.4	39.7	66.7
Connecticut.....	137	14.3	4.8	9.5	15.8	5.3	10.5	North Carolina.....	152	9.7	6.4	3.3	17.5	11.6	5.9
Delaware.....	20	1.8	.6	1.2	2.3	.8	1.5	North Dakota.....	29	1.9	1.2	.7	3.3	2.1	1.2
District of Columbia.....	28	2.6	1.0	1.6	3.2	1.2	2.0	Ohio.....	473	40.1	17.8	22.3	54.5	24.2	30.3
Florida.....	257	20.5	11.3	9.2	29.6	16.3	13.3	Oklahoma.....	94	6.4	3.8	2.6	10.8	6.5	4.3
Georgia.....	113	8.2	5.3	2.9	13.0	8.3	4.7	Oregon.....	104	9.5	4.9	4.6	12.0	6.2	5.8
Hawaii.....	17	1.4	.8	.6	2.0	1.1	.9	Pennsylvania.....	629	44.1	21.4	22.7	72.5	35.1	37.4
Idaho.....	32	2.7	1.6	1.1	3.7	2.2	1.5	Rhode Island.....	53	5.3	2.6	2.7	6.1	3.0	3.1
Illinois.....	510	44.1	17.4	26.7	58.8	23.2	35.6	South Carolina.....	68	3.8	2.5	1.3	7.8	5.2	2.6
Indiana.....	253	19.8	9.8	10.0	29.2	14.5	14.7	South Dakota.....	35	2.2	1.4	.8	4.0	2.6	1.4
Iowa.....	164	11.0	6.3	4.7	18.9	10.8	8.1	Tennessee.....	137	9.7	6.4	3.3	15.8	10.4	6.4
Kansas.....	116	7.7	4.3	3.4	13.4	7.5	5.9	Texas.....	287	23.2	13.0	10.2	33.1	18.5	14.5
Kentucky.....	141	10.9	7.2	3.7	16.2	10.7	5.5	Utah.....	30	2.3	1.3	1.0	3.5	2.0	1.5
Louisiana.....	61	4.2	2.6	1.6	7.0	4.4	2.6	Vermont.....	23	1.9	1.1	.8	2.7	1.6	1.1
Maine.....	62	4.7	2.7	2.0	7.2	4.2	3.0	Virginia.....	140	9.3	5.4	3.9	16.1	9.4	6.7
Maryland.....	109	8.9	4.2	4.7	12.6	5.9	6.7	Washington.....	143	14.2	6.7	7.5	16.5	7.8	8.7
Massachusetts.....	301	29.7	17.8	16.9	34.7	15.0	19.7	West Virginia.....	94	6.3	4.0	2.3	10.8	6.8	4.0
Michigan.....	358	33.8	15.2	18.6	41.3	18.6	22.7	Wisconsin.....	224	16.6	8.7	7.8	25.8	13.5	12.3
Minnesota.....	172	14.0	7.6	6.4	19.8	10.8	9.0	Wyoming.....	13	1.0	.5	.5	1.5	.8	.7
Mississippi.....	65	4.2	2.8	1.4	7.5	5.0	2.5	Puerto Rico.....	47	2.1	1.4	.7	5.4	3.6	1.8
Missouri.....	228	16.2	8.4	7.8	26.3	13.6	12.7	Virgin Islands.....	1	(²)	(²)	(²)	.1	(²)	(²)

¹ Assumes 75 percent participation by the 11,000,000 persons eligible to participate in the program.

² Less than \$50,000.

Mr. PROXMIRE. Is it not a fact that at the recent Governor's conference, in June, the Governor of Wisconsin led the successful fight to put the Governors on record, or a majority of the Governors, at least, as favoring the social security approach and disapproving the Federal-State matching approach; or if not disapproving the latter approach, at least favoring the social security approach? Is it not also a fact that the distinguished Governor of the Senator's State, Gov. Nelson Rockefeller, was one of the leaders in this fight, and that the distinguished Governor of New York very enthusiastically favors the social security approach, and has stated so many times?

Mr. JAVITS. This question was bound to come up, and we might as well answer it. It is, of course, a fact, that the Governors want to shed themselves of as much of the cost as they can. That is very understandable. They would like to use the money for other things, if they have it. So we can understand their position. We wrestle with it every day in the week. They want more money here and they want to spend less themselves.

With respect to Governor Rockefeller, he has announced his position as favoring the social security approach, with one very important exception, which is not in the Anderson substitute. Perhaps it will be some day, but it is not in the substitute now. He is in favor of the social security approach if it gives the individual subscriber the option of getting his money in cash, so that he may subscribe to a private health plan. He has made that point very clear.

I speak of it so strongly because he made it clear to me. This is an issue upon which he and I do not see eye to eye. There are very few such issues. Governor Rockefeller and I are in great agreement, certainly as great as anybody has with him. He is in favor of the social security approach, and has said so. I respect him for his views, although I may not agree with them. He has pointed out that he is only for it if it gives the subscriber or the beneficiary the cash option; otherwise, he is not in favor of it.

Mr. PROXMIRE. I understand. However, is it not true that the Governor has stated very eloquently that he is in favor of the social security approach, not merely because it would save the States money—and that may not be the most important consideration, particularly in a State like New York State, which has a sound method of raising money, and has been successful recently—but because he feels that the social security approach is the more efficient and more comprehensive and more dignified way to do it? Is that not why also a great newspaper in the Senator's home State, the New York Times, also favors that method, as does the Washington Post and so many other newspapers which are objective in their approach to the problem, and which can without any feeling of politics look at the issue and decide which makes the most sound economic sense and which

provides the greatest amount of personal dignity?

Mr. JAVITS. I would not wish to characterize or give coloration to the degree of enthusiasm with which the Governor or the New York Times approaches the social security method. However, there are many newspapers which have earned great respect throughout the country which do not favor that approach, but who are violently opposed to it, and state their preference with sincerity, and say why they think they are right. Although it is an item which the Senator has the right to mention, I do not believe it is decisive in respect of the issue which is before us.

Mr. PROXMIRE. I thank the Senator from New York. Once again I would say that his bill has a great deal of merit, and of course, as always, he has presented masterful arguments in favor of it. I am not persuaded. However, I enjoy listening to his touching arguments.

Mr. JAVITS. I am grateful to the Senator from Wisconsin. There is nothing which brings out a case better than questions. He is very able. He and I have debated this question on television. I have enjoyed our debates very much. His performance here is well worthy of him.

I should like to proceed now to a conclusion of my remarks, very briefly.

I had in mind pointing out what I am sure others will point out; namely, the reason why this subject has become a great problem and a great issue in this country.

Since 1957, medical care costs have gone up more than 20 percent. When we remember what our older citizens must pay for medical care with what they earn, we can understand why this is burgeoning not only as a political problem, but also as an economic and social problem.

Our older citizens, according to a 1957-58 study, spent, on the average, \$177 a year for health and medical expenses, compared with \$84 spent on the average by the rest of the population.

However, 16 percent of the older citizens had to spend as much as \$500 a year for their health care. We must remember, also, and must take into account the fact—and I am deeply convinced of this—that our older citizens are not getting the medical care they ought to be getting. They ought to be spending more than the already high amounts. However, these higher expenses come at a time when the earning power of the men and women in this group has declined so sharply that 60 percent, or 9.6 million, in this group have less than a thousand dollars a year to live on, while 80 percent, or 12.8 million, have incomes of \$2,000 a year or less.

It seems to me that under these circumstances we are bound to do something about this situation.

Before I conclude I should like to make one further point, which is so important to this whole debate, and that is this:

What is the program which is proportioned to what our older citizens need? Why is it 60 days in the hospital, and not 30 days? Why is it 180 days,

and not 365 days? What do the older citizens really need?

In that respect I point to a U.S. National Health survey entitled "Hospitalization—Patients Discharged From Short Stay Hospitals," published in June 1958. It shows why the program which I am proposing with my cosponsors is so valuable and so clearly proportioned to the need. It shows that less than 10 percent of the 16 million aged citizens who are hospitalized—9.8 percent to be exact—actually need to stay more than 31 days per year in the hospital. Ninety percent do not require long hospital stays. U.S. Government statistics show that the average hospital stay of this latter group is 14 days, with the general average stay being 21 days.

Mr. President, this shows that a program like ours which is adjusted to preventive care, meeting a range between 21 days at a minimum, and 45 days at a maximum, in a hospital, without any precast of coinsurance, or anything else, is exactly what the people need. The great bulk of the people do not really need anything else. Therefore, why have an enormous mountain of effort, so far as they are concerned, for the hospitalization which is represented by the Anderson amendment, when 95 percent of them do not really need it?

Mr. President, let us remember that more than 127 million Americans are now under some kind of medical care insurance program. These programs may provide only limited coverage, but they help to cover some part of the health care expense. When I speak, as I do, about the psychological departure which is involved in the social security system, I have in mind the distortions, the material impairment—which should not even be taken into account by anything we do, or seriously strained or taxed by anything we do—in this enormous system which, in a typical American way, the American people have built up to help themselves.

The plan which I have proposed conforms best, because it continues to leave a very large area for private capacities which are represented by all the medical plans.

I should like to emphasize that the Anderson plan starts to provide benefits at age 68, or when a person is 3 years older than under the plan which the Senate is now considering.

I conclude on this note: Let us not overlook the fact that with the enactment of a major health care bill by Congress, an enormous burden will be placed on the Nation's medical resources and personnel, no matter what safeguards are included against overutilization. Nothing would be more tragic than to compel old folks to go on a long waiting list to enter a hospital already subject to overcrowding. We help to lighten that burden by enabling our older citizens, under my amendment, to get preventive care before they fall seriously ill, as the bill which I sponsor provides. Proposals centered around hospitalization concentrate that burden in many places to the breaking point.

I hope very much that the fundamental principles which I have advocated

will be incorporated in any health care insurance legislation adopted by Congress. These are the basic principles I urge most strongly: Emphasis on preventive care, voluntary participation for all over 65, with the preservation of the doctor-patient relationship; State plans with Federal matching so that we can build on existing facilities; and payment out of general revenues.

Mr. President, I hope the Senate will pass a bill which will go further than the one so ably presented by the Senator from Oklahoma [Mr. KERR] and the Senator from Delaware [Mr. FREAR], which confines itself essentially to medical indigents, and which, I think, is acceptable to all, certainly to myself and my cosponsors.

All our older citizens of modest income should have full consideration from us in their older years, when they need help to meet their medical expenses, and they are entitled to it by their service in the life of our country.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a table showing the percentage of participation under my amendment by the various States with the Federal Government. I have previously secured unanimous consent to have printed in the RECORD a chart analyzing the cost of the minimum-maximum package.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Federal matching percentages under Javits amendment to H.R. 12580 providing for medical services for the aged

Alabama.....	66.7
Alaska.....	50.0
Arizona.....	57.1
Arkansas.....	66.7
California.....	37.5
Colorado.....	51.7
Connecticut.....	33.3
Delaware.....	33.3
District of Columbia.....	37.8
Florida.....	55.1
Georgia.....	64.2
Hawaii.....	54.4
Idaho.....	59.4
Illinois.....	39.5
Indiana.....	49.7
Iowa.....	57.1
Kansas.....	55.7
Kentucky.....	66.0
Louisiana.....	62.6
Maine.....	58.3
Maryland.....	46.8
Massachusetts.....	43.1
Michigan.....	45.0
Minnesota.....	54.5
Mississippi.....	66.7
Missouri.....	51.7
Montana.....	52.1
Nebraska.....	57.2
Nevada.....	38.9
New Hampshire.....	54.1
New Jersey.....	38.3
New Mexico.....	60.0
New York.....	37.3
North Carolina.....	66.4
North Dakota.....	64.1
Ohio.....	44.4
Oklahoma.....	59.7
Oregon.....	51.3
Pennsylvania.....	48.4
Rhode Island.....	49.2
South Carolina.....	66.7
South Dakota.....	64.9
Tennessee.....	65.8
Texas.....	56.1

Federal matching percentages under Javits amendment to H.R. 12580 providing for medical services for the aged—Continued

Utah.....	58.4
Vermont.....	58.7
Virginia.....	58.4
Washington.....	47.3
West Virginia.....	63.0
Wisconsin.....	52.4
Wyoming.....	50.5
Puerto Rico.....	66.7
Virgin Islands.....	66.7

Mr. JAVITS. Mr. President, I ask unanimous consent that my amendment may be printed as a part of my remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the end of the bill insert the following:
"SEC. 801. The Social Security Act is further amended by adding at the end thereof the following new title:

"TITLE XVI.—MEDICAL BENEFITS FOR THE AGED

"Appropriation

"SEC. 1601. For the purpose of assisting the States to improve the health care of aged individuals of low incomes by enabling them to secure, at cost reasonably related to their incomes, protection either against the expenses of preventive and diagnostic services and short-term illness treatment or against long-term illness expenses, there are hereby authorized to be appropriated for each fiscal year such sums as the Congress may determine. The sums made available under this section shall be used for making payments to States with State plans submitted by them and approved under this title.

"State plans

"SEC. 1602. The Secretary shall approve a State plan under this title which—

"(a) provides for establishment or designation of a single State agency to administer or supervise the administration of the State plan;

"(b) provides that each eligible individual (as defined in section 1605(a)) who applies therefor (and only such an individual) shall be furnished whichever of the following he may elect:

"(1) preventive and diagnostic and short-term illness benefits, which, for purposes of this title, shall consist of payment on behalf of an eligible individual of the cost incurred by him for the following medical services rendered to him to the extent determined by the attending physician to be medically necessary (but subject to the limitations in section 1606)—

"(A) inpatient hospital services for not to exceed twenty-one days in any enrollment year, except that at the request of the individual, days of skilled nursing-home services may be substituted for any or all of such days of inpatient hospital services at the rate of three days of skilled nursing-home care for one day of inpatient hospital services;

"(B) physicians' services furnished outside of a hospital or skilled nursing home, on not more than twelve days during any enrollment year;

"(C) ambulatory diagnostic laboratory and X-ray services furnished outside of a hospital or skilled nursing home to the extent the cost thereof is not in excess of \$100 in any enrollment year;

"(D) organized home health care services for not more than twenty-four days in any enrollment year; and

"(E) such other medical services as the State may elect (subject to the limitations in classes (E), (vi), and (vii) of paragraph (2) and to the limitations in section 1606); or

"(2) long-term illness benefits, which, for purposes of this title, shall consist of

payment on behalf of an eligible individual of 80 per centum of the cost above the deductible amount incurred by him for the following services (hereinafter in this title referred to as "medical services") rendered to him to the extent determined by the attending physician to be medically necessary (but subject to the limitations in section 1606)—

"(A) inpatient hospital services for not to exceed one hundred and twenty days in any enrollment year;

"(B) surgical services provided to inpatient in a hospital;

"(C) skilled nursing-home services;

"(D) organized home health care services;

"(E) such of the following services as the State may elect (subject to the limitations in section 1608)—

"(i) physicians' services;

"(ii) outpatient hospital services;

"(iii) private duty nursing services;

"(iv) physical restorative services;

"(v) dental treatment;

"(vi) laboratory and X-ray services to the extent the cost thereof is not in excess of \$200 in any enrollment year;

"(vii) prescribed drugs to the extent the cost thereof is not in excess of \$350 in any enrollment year; and

"(viii) inpatient hospital services in excess of one hundred and twenty days in any enrollment year; or

"(3) private insurance benefits, which, for purposes of this title, shall consist of payment on behalf of such individual of one-half of the premiums of a private health insurance policy for him up to a maximum payment for any year of \$60;

"(c) provides for granting an opportunity for a fair hearing before the State agency to any individual whose claim for benefits under the plan has been denied;

"(d) provides for payment of enrollment fees, payable annually or more frequently, as the State may determine, by eligible individuals applying for long-term illness benefits or diagnostic and short-term illness benefits under the plan, the amounts of such fees to be determined by a schedule established by the State and approved by the Secretary as providing fees the lowest of which is equal to not less than 10 per centum of the per capita cost for the enrollment year involved of the benefits provided, the remainder of which vary in relation to the income (as defined in section 1605(b)) of the individuals;

"(e) include provision for increases in enrollment fees, approved by the Secretary for individuals who for the enrollment year involved, would not be eligible individuals but for the provisions of section 1605(a) (2);

"(f) includes such methods of administration as are found by the Secretary to be necessary for the proper and efficient operation of the plan, including—

"(1) methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance with such methods;

"(2) methods to assure that the applications of all individuals applying for benefits under the plan will be acted upon with reasonable promptness;

"(3) methods relating to collection of enrollment fees for long-term illness benefits or diagnostic and short-term illness benefits under the plan, except that the State may not utilize the services of any nonpublic agency or organization in the collection of such fees, and

"(4) methods for determining—

"(A) rates of payment for institutional services, and

"(B) schedules of fees or rates of payment for other medical services,

for which expenditures are made under the plan;

"(g) sets forth criteria, not inconsistent with the provisions of this title, for approval by the State agency, for purposes of the plan, of private health insurance policies;

"(h) provides that no benefits will be furnished any individual under the plan with respect to any period with respect to which he is receiving old-age assistance under the State plan approved under section 2, aid to dependent children under the State plan approved under section 402, aid to the blind under the State plan approved under section 1002, or aid to the permanently and totally disabled under the State plan approved under section 1402 (and for purposes of this paragraph an individual shall not be deemed to have received such assistance or aid with respect to any month unless he received such assistance or aid in the form of money payments for such month, or in the form of medical or any other type of remedial care in such month (without regard to whom the expenditures in the form of such care were made));

"(i) provides safeguards which restrict the use or disclosure of information concerning applicants for and recipients of benefits under the plan to purposes directly connected with the administration of the plan;

"(j) includes (1) provisions, conforming to regulations of the Secretary, with respect to the time within which individuals desiring benefits under the plan may elect for any enrollment year between the types of benefits available under the plan and may apply for the benefits so elected for such year and (2) to the extent required by regulations of the Secretary, provisions, conforming to such regulations, with respect to the furnishing of benefits described in paragraph (1) or (2) of subsection (b) to eligible individuals during temporary absences from the State;

"(k) provides for establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for any persons, institutions, and agencies providing medical services for which expenditures are made under the plan; and

"(l) provides that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time require, and comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports. Notwithstanding the preceding provisions of this section, the Secretary shall not approve any State plan under this title unless the State has established to his satisfaction that the medical or any other type of remedial care, together with the amounts, if any, included in old-age assistance in the form of money payments on account of their medical needs, for recipients of old-age assistance under the State plan approved under title I will be at least as great in amount, duration, and scope as the diagnostic and short-term illness benefits included under the State plan under this title.

"(m) makes provision (1) authorizing employees' pension or welfare funds to contribute to the payment of enrollment fees under the plan for or on behalf of eligible members or beneficiaries of such funds, (2) authorizing employers (including the State or any political subdivision thereof when acting as an employer) to contribute to the payment of their employees' enrollment fees under the plan, and (3) permitting any employee, or member or beneficiary of an employees' pension or welfare fund, to authorize his employer (including the State or any political subdivision thereof when acting as an employer) or trustee or other governing body of such fund to deduct from his wages or from such fund, as the case may be, an amount equal to his enrollment fees under

the plan and to pay the same to the State agency administering the plan;

"Payments

"SEC. 1603. (a) From the sums appropriated therefor, each State which has a plan approved under section 1602 shall be entitled to receive, for each calendar quarter, beginning with the quarter commencing July 1, 1961, an amount equal to (1) the Federal share for such State of the total amounts expended during such quarter by the State under the plan as long-term illness, diagnostic and short-term illness, or private insurance benefits, plus (2) one-half of the total of the sums expended during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan.

"(b) Payment of the amounts due a State under subsection (a) shall be made in advance thereof on the basis of estimates made by the Secretary, with such adjustments as may be necessary on account of overpayments or underpayments during prior quarters; and such payments may be made in such installments as the Secretary may determine. Adjustments under the preceding sentence shall include decreases in estimates equal to the pro rata share to which the United States is equitably entitled, as determined by the Secretary, of the net amount recovered by the State or any political subdivision thereof, with respect to benefits furnished under the State plan, whether as the result of being subrogated to the rights of the recipient of the benefits against another person, or as the result of recovery by the recipient from such other person, or because such benefits were incorrectly furnished, or for any other reason.

"(c) For purposes of subsection (a), (1) expenditures under a State plan in any calendar year shall be included only to the extent they exceed the amount of the enrollment fees collected in such year under the State plan, and (2) expenditures under a State plan for preventive diagnostic and short-term illness benefits or for long-term illness benefits in excess of \$128 multiplied by the number of individuals enrolled for benefits under such plan in such year shall not be counted.

"Operation of State plans

"SEC. 1604. If the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of any State plan which has been approved under section 1602, finds—

"(1) that the plan has been so changed that it no longer complies with the provisions of section 1602; or

"(2) that in the administration of the plan there is a failure to comply substantially with any such provision; the Secretary shall notify such State agency that further payments will not be made to the State (or, in his discretion, that payments will be limited to parts of the State plan not affected by such failure) until the Secretary is satisfied that there is no longer any such noncompliance. Until he is so satisfied, no further payments shall be made to such State (or payments shall be limited to parts of the State plan not affected by such failure).

"Eligible individuals

"SEC. 1605. (a) For the purposes of this title, the term "eligible individual" means, with respect to any enrollment year for any individual, an individual who—

"(1) (A) is 65 years of age or over,

"(B) resides in the State at the beginning of such year, and

"(C) meets, with respect to such year, the income requirements of subsection (b); or

"(2) (A) resides in the State at the beginning of such year, (B) was an eligible indi-

vidual for the preceding enrollment year, and (C) paid enrollment fees under the plan for the preceding enrollment year or had a private health insurance policy and the State made payments under the State plan toward the cost of the premiums of the policy during such year.

"(b) For the purposes of this title, the income requirements of this subsection are met by any individual with respect to any enrollment year if, for his last taxable year (for purposes of the Federal income tax) ending before the beginning of such enrollment year—

"(1) he did not pay any income tax, or

"(2) (A) his income did not exceed \$3,000 in the case of an individual who, at the beginning of such enrollment year, was unmarried or was not living with his spouse, or

"(B) the combined income of such individual and his spouse did not exceed \$4,500 in the case of an individual who, at the beginning of such enrollment year, was married and living with his spouse.

"(c) The term "income" as used in subsection (b) means the amount by which the gross income (within the meaning of the Internal Revenue Code of 1954) exceeds the deductions allowable in determining adjusted gross income under section 62 of such Code; except that the following items shall be included (as items of gross income):

"(1) Monthly insurance benefits under title II of this Act,

"(2) Monthly benefits under the Railroad Retirement Acts of 1935 and 1937, and

"(3) Veterans' pensions.

Determinations under this section shall be made (in the manner prescribed by the Secretary by regulations) by or under the supervision of the State agency administering or supervising the administration of the plan approved under section 1602.

"Benefits

"SEC. 1606. Subject to regulations of the Secretary—

"Medical services

"(a) (1) Except as provided in paragraph (2), the term "medical services" means the following to the extent determined by the physician to be medically necessary:

"(A) inpatient hospital services;

"(B) skilled nursing-home services;

"(C) physicians' services;

"(D) outpatient hospital services;

"(E) organized home care services;

"(F) private duty nursing services;

"(G) therapeutic services;

"(H) major dental treatment;

"(I) laboratory and X-ray services; and

"(J) prescribed drugs.

"(2) The term "medical services" does not include—

"(A) services for any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental diseases; or

"(B) services for any individual who is a patient in a medical institution as a result of a diagnosis of tuberculosis or psychosis, with respect to any period after the individual has been a patient in such an institution, as a result of such diagnosis, for forty-two days.

"Inpatient hospital services

"(b) The term "inpatient hospital services" means the following items furnished to an inpatient by a hospital:

"(1) Bed and board (at a rate not in excess of the rate for semiprivate accommodations);

"(2) Physicians' services; and

"(3) Nursing services, interns' services, laboratory and X-ray services, ambulance service, and other services, drugs, and appliances related to his care and treatment (whether furnished directly by the hospital or, by arrangement, through other persons).

"Surgical services"

"(c) the term "surgical services" means surgical procedures provided to an inpatient in a hospital other than those included in the term "inpatient hospital services", including oral surgery, and surgical procedures provided in an emergency in a doctor's office or by a hospital to an outpatient.

"Skilled nursing-home services"

"(d) the terms "skilled nursing-home services" means the following items furnished to an inpatient in a nursing home:

"(1) Skilled nursing care provided by a registered professional nurse or a licensed practical nurse which is prescribed by, or performed under the general direction of, a physician;

"(2) Such medical supervisory services and other services related to such skilled nursing care as are generally provided in nursing homes providing such skilled nursing care; and

"(3) Bed and board in connection with the furnishing of such skilled nursing care.

"Physicians' services"

"(e) the term "physicians' services" means services provided in the exercise of his profession in any State by a physician licensed in such State; and the term "physician" includes a physician within the meaning of section 1101(a)(7).

"Outpatient hospital services"

"(f) the term "outpatient hospital services" means medical and surgical care furnished by a hospital to an individual as an outpatient.

"Organized home health care services"

"(g) the term "organized home health care services" means (1) visiting nurse services and physicians' services, and services related thereto, which are prescribed by a physician and are provided in a home through a public or private nonprofit agency operated in accordance with medical policies established by one or more physicians (who are responsible for supervising the execution of such policies) to govern such services; and (2) homemaker services of a nonmedical nature which are prescribed by a physician and are provided, through a public or private nonprofit agency, in the home to a person who is in need of and in receipt of other medical services.

"Private duty nursing services"

"(h) the term "private duty nursing services" means nursing care provided in the home by a registered professional nurse or licensed practical nurse, under the general direction of a physician, to a patient requiring nursing care on a full-time basis, or provided by such a nurse under such direction to a patient in a hospital who requires nursing care on a full-time basis.

"Physical restorative services"

"(i) the term "physical restorative services" means services prescribed by a physician for the treatment of disease or injury by physical nonmedical means, including retraining for the loss of speech.

"Dental treatment"

"(j) the term "dental treatment" means services provided by a dentist, in the exercise of his profession, with respect to a condition of an individual's teeth, oral cavity, or associated parts which has affected, or may affect, his general health. As used in the preceding sentence, the term "dentist" means a person licensed to practice dentistry or dental surgery in the State where the services are provided.

"Laboratory and X-ray services"

"(k) the term "laboratory and X-ray services" includes only such services prescribed by a physician.

"Prescribed drugs"

"(l) the term "prescribed drugs" means medicines which are prescribed by a physician.

"Hospital"

"(m) the term "hospital" means a hospital (other than a mental or tuberculosis hospital) which is (1) a Federal hospital, (2) licensed as a hospital by the State in which it is located, or (3) in the case of a State hospital, approved by the licensing agency of the State.

"Nursing home"

"(n) the term "nursing home" means a nursing home which is licensed as such by the State in which it is located, and which (1) is operated in connection with a hospital or (2) has medical policies established by one or more physicians (who are responsible for supervising the execution of such policies) to govern the skilled nursing care and related medical care and other services which it provides.

"Miscellaneous definitions"

"Sec. 1607. For purposes of this title—

"Federal Share"

"(a) (1) The "Federal share" with respect to any State means 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States, except that (A) the Federal share shall in no case be less than 33½ per centum nor more than 66½ per centum, and (B) the Federal share with respect to Puerto Rico, the Virgin Islands, and Guam shall be 66½ per centum.

"(2) The Federal share for each State shall be promulgated by the Secretary between July 1 and August 31 of each even-numbered year, on the basis of the average per capita income of each State and of the United States for the three most recent calendar years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the eight quarters in the period beginning July 1 next succeeding such promulgations.

"(3) As used in paragraphs (1) and (2), the term "United States" means the fifty States and the District of Columbia.

"Deductible Amount"

"(b) The "deductible amount" for any individual for any enrollment year means an amount equal to \$250 of expenses for medical services (determined without regard to the limitations in clauses (A) or (E) (vi) or (vii) of section 1602(a)(2) which are included in the State plan and are incurred in such year by or on behalf of such individual, whether he is married or single, except that, in the case of an individual who is married and living with his spouse at the beginning of his enrollment year, it shall be an amount equal to \$400 of expenses for medical services (so determined) incurred in such year by or on behalf of such individual or his spouse for the care or treatment of either of them, but only if application of such \$400 amount with respect to such individual and his spouse would result in payment under the plan of a larger share of the cost of their medical services incurred in such year. Subject to the limitations in section 1608, the \$250 amount referred to in the preceding sentence may be reduced for any State if such State so elects; and in case of such an election the \$400 amount referred to in such sentence shall be proportionately reduced.

"Enrollment Year"

"(c) The term "enrollment year" means, with respect to any individual, a period of 12 consecutive months as designated by the State agency for the purposes of this title

in accordance with regulations prescribed by the Secretary. Subject to regulations prescribed by the Secretary, the State plan may permit the extension of an enrollment year in order to avoid hardship.

"Private Health Insurance Policy"

"(d) The term "private health insurance policy" means, with respect to any State, a policy, offered by a private insurance organization licensed to do business in the State, which is approved by the State agency (administering or supervising the administration of the plan approved under section 1602), which is noncancelable except at the request of the insured individual or for failure to pay the premiums when due and which is available to all eligible individuals in the State.

"Cost"

"(e) The per capita cost of long-term illness benefits or diagnostic and short-term illness benefits for any year or other period shall be determined by the State, in accordance with regulations of the Secretary, on the basis of estimates and such other data as may be permitted in such regulations.

"Election of medical services to be provided by State"

"Sec. 1608. Any election by a State pursuant to the provisions of clause (E) of paragraph (1) or the provisions of paragraph (2) of section 1602(b) or of the second sentence of section 1602(b) shall be valid for purposes of this title for any enrollment year or other period determined by the Secretary only if an election is also made by the State under the other of such provisions so that, in the judgment of the Secretary, the per capita cost of benefits under paragraph (1) of section 1602(b) and the per capita cost of benefits under paragraph (2) of such section for such period after such elections bear the same relationship to each other as the per capita cost of benefits under each such paragraph for such period without such elections bear to each other.

"Advisory Council on Health Insurance"

"Sec. 1609. (a) There shall be in the Department of Health, Education, and Welfare an Advisory Council on Medical Benefits for the Aged (hereinafter referred to as the "Council") to advise the Secretary on matters relating to the general policies and administration of this title. The Secretary shall secure the advice of the Council before prescribing regulations under this title.

"(b) The Council shall consist of the Surgeon General of the Public Health Service and the Commissioner of Social Security, who shall be ex officio members (and one of whom shall from time to time be designated by the Secretary to serve as chairman), and twelve other persons, not otherwise in the employ of the United States, appointed by the Secretary without regard to the civil-service laws. Four of the appointed members shall be selected from among representatives of various State or local government agencies concerned with the provision of health care or insurance against the costs thereof, four from among nongovernmental persons who are concerned with the provision of such care or with such insurance, and four from the general public, including consumers of health care.

"(c) Each member appointed by the Secretary shall hold office for a term of 4 years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the terms of the members first taking office shall expire as follows: four shall expire 2 years after the date of the enactment of this title, four shall expire 4 years after such date, and four shall expire 6 years after such

date, as designated by the Secretary at the time of the appointment. None of the appointed members shall be eligible for reappointment within 1 year after the end of his preceding term.

"(d) Appointed members of the Council, while attending meetings or conferences of the Council, shall receive compensation at a rate fixed by the Secretary but not exceeding \$50 a day, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"Savings provision"

"Sec. 1610. Nothing in this title shall modify obligations assumed by the Federal Government under other laws for the hospital and medical care of veterans or other presently authorized recipients of hospital and medical care under Federal programs."

"Planning grants to States"

"SEC. 802. (a) For the purpose of assisting the States to make plans and initiate administrative arrangements preparatory to participation in the Federal-State program of medical benefits for the aged authorized by title XVI of the Social Security Act, there are hereby authorized to be appropriated for making grants to the States such sums as the Congress may determine.

"(b) A grant under this section to any State shall be made only upon application therefor which is submitted by a State agency designated by the State to carry out the purpose of this section and is approved by the Secretary. No such grant for any State may exceed 50 per centum of the cost of carrying out such purpose in accordance with such application.

"(c) Payment of any grant under this section may be made in advance or by way of reimbursement, and in such installments, as the Secretary may determine. The aggregate amount paid to any State under this section shall not exceed \$50,000.

"(d) Appropriations pursuant to this section shall remain available for grants under this section only until the close of June 30, 1962; and any part of such a grant which has been paid to a State prior to the close of June 30, 1962, but has not been used or obligated by such State for carrying out the purpose of this section prior to the close of such date, shall be returned to the United States.

"(e) As used in this section, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.

"Technical amendment"

"SEC. 803. Effective July 1, 1961, section 1101(a)(1) of the Social Security Act (as amended by section 541 of this Act) is amended by striking out 'and XIV' and inserting in lieu thereof 'XIV, and XVI.'"

GOVERNOR MEYNER EXPOSES FUTILITY OF BOMB SHELTER PROGRAM

Mr. YOUNG of Ohio. Mr. President, for years the overpaid bureaucrats of the Office of Civil and Defense Mobilization have tried to sell the American people the idea that it is better, in this nuclear age, to be a mole than a man.

They would have Americans burrow underground into a network of caves called bomb shelters, complete with bookshelves filled with the latest civil defense manuals.

They would have us believe that this form of subterranean suburbia is an ade-

quate defense of our population in event of nuclear war.

In their clamor to peddle this program—which would cost taxpayers anywhere from \$25 billion to \$100 billion—the boondogglers of this useful civil defense agency have the enthusiastic support of the Governor of New York, to whom such staggering sums no doubt appear less awesome than to the average American.

Mr. President, an excellent rebuttal to this "caveman complex" is contained in an article written for the September issue of *Coronet* magazine by the great Governor of the State of New Jersey, Robert B. Meyner.

This outstanding public servant fully comprehends the absurdity of burrowing underground and understands that there can be no escape from the horrors of all-out nuclear warfare. He says of these so-called bomb shelters:

In any large metropolitan area a nuclear attack would turn these primordial caves into nothing but mass burial vaults. Under certain circumstances, some lives might be saved by such shelters: if the attack were a weak one; if there were adequate warning; if necessary services and facilities remained in operation after the attack, and if the shelter were not buried and sealed beneath mountains of rubble.

Governor Meyner goes on to point out that eminent experts feel these favorable circumstances are not likely to occur; and he states:

The probability is that damage would be swift, extensive, sustained. It is the cruellest deception to create the impression that shelters are an adequate defense.

Mr. President, in an age when nuclear missiles can strike with less than 15 minutes' warning, when horror can be rained on all points of a Nation simultaneously, when the power of weapons has reached tremendously destructive capacity it is futile and even cruel to try to deceive the American people into thinking that all they have to do to survive is live like moles in so-called civil defense shelters.

The concept of a shelter program, as Governor Meyner stresses, is "predicated on the assumption that an enemy attack would be a relatively puny one."

He continues with the irrefutable factual statement:

The superbombs now in the stockpiles of the United States and Soviet Union make it possible that even a moderate sized attack would be roughly 1,500 times the total destructive power that was released by all the conventional bombs dropped during World War II.

Of course, no one seriously believes that an enemy would stop at one attack. It is more reasonable to assume that any nuclear war would involve a series of attacks of unprecedented ferocity and devastation.

Such devastation would unquestionably render so-called bomb shelters utterly useless as protection for our population.

Mr. President, my view is that the American people are not fooled by the propaganda handed out and spoken over the radio by highly paid officials of the Office of Civil and Defense Mobilization

who are feeding at the public trough and rendering no useful service whatever. Instead, they are very properly in revolt against the waste of millions of dollars by the defeated politicians who have found a haven in the Office of Civil and Defense Mobilization.

They have grown weary of hysterical alarms, screaming sirens, and foolish practice alerts.

They have made it plain that they will not be taken in by false promises of subsurface survival.

I have no doubt, Mr. President, that the American people wholeheartedly subscribe to these words of Governor Meyner:

There is only one way to assure survival of 180 million Americans. We must have peace—and to achieve it, we must intensify the battle for control of nuclear weapons by an international agency.

Indeed, Mr. President, peace, not underground caves, is the only shelter against nuclear war.

Instead of wasting time talking about billions of dollars for a network of shelters, we should be talking seriously and constantly about proposals which will lead to disarmament and make permanent peace more readily attainable.

PUBLIC ENTITLED TO SEE AND HEAR PRESIDENTIAL CANDIDATES

Mr. YOUNG OF OHIO. Mr. President, late yesterday, at a time when I was not in the Senate Chamber, the junior Senator from Pennsylvania [Mr. SCOTT] said in presenting an alibi for Vice President Nixon's campaigning in Portland, Maine, and elsewhere while the Senate is in session, instead of presiding:

The rather juvenile stopwatch technique . . . designed solely to try to cloud and conceal the facts.

Mr. President, let us look to the RECORD. The junior Senator from Pennsylvania has been complaining as if his heart were bleeding regarding the alleged failure of the junior Senator from Massachusetts [Mr. KENNEDY] to be in constant attendance to answer roll calls. This, during a period of months when Americans knew that the junior Senator from Massachusetts was waging a hard contest in Presidential preference primaries in various States.

It is a fact, Mr. President, that no Senator can stand in this Chamber after reading the Constitution of our country and truthfully assert that the junior Senator from Massachusetts or any Senator has a greater obligation than does the Vice President to be here while the Senate is in session.

It is my hope and belief that the junior Senator from Massachusetts will never for a moment be coerced by petty needling, from making appearances throughout the country at this time and throughout the next few weeks while the Senate is in session.

The CONGRESSIONAL RECORD on page 16474 shows I stated the following:

I choose at this moment to refrain from any further comment except to state that

article I, section 3 of the Constitution of the United States provides that the Vice President "shall be President of the Senate but shall have no vote, unless they be equally divided."

Of course, the Standing Rules of the Senate also repeat this provision, giving to the Vice President the duty and responsibility of presiding over the Senate. Mr. President, in reading the Constitution of our country, there is very little that is stated there regarding the duties of the Vice President other than to preside over the Senate and to cast a vote in event of a tie.

I make no comment over the fact that the honor and responsibility of presiding over the Senate have been relinquished by the Vice President and that his duties and responsibilities, as stated in the Constitution, were carried on by Senators.

Then, Mr. President, so there could be no misunderstanding, I stated, and I now restate:

Mr. President, the people of the United States have great intelligence and common-sense and excellent judgments. They know that these two distinguished and outstanding Americans, the distinguished junior Senator from Massachusetts, and the Vice President—I refer to JOHN F. KENNEDY and RICHARD NIXON—who are candidates of their respective parties for the Presidency of the United States. The people know and they appreciate that both of those leaders have a lot of territory to cover and a great deal to say between now and November 8. The people of the United States want to see them and they want to hear them.

So I simply feel, Mr. President, in making these brief remarks, that what is sauce for the goose is sauce for the gander.

Finally, Mr. President, let me say that my blood pressure does not rise when the junior Senator from Pennsylvania accuses me of resorting to "juvenile techniques"; but I resent his statement of yesterday that I was trying to "cloud and conceal" any fact. I repudiate that assertion; it is simply not the truth.

Let me add that this statement by him was in line with his statements of Wednesday, August 17, which I considered unfair and uncalled for, and which the junior Senator from Massachusetts [Mr. KENNEDY] and the junior Senator from Arkansas [Mr. FULBRIGHT], the chairman of the Senate Committee on Foreign Relations, ably and completely refuted.

Having imbedded this fly in the liquid amber of my remarks, may I propound a parliamentary inquiry to the distinguished and learned Senator from Georgia [Mr. TALMADGE], who is now presiding in the absence of the Vice President. Naturally, Mr. President, I would under no circumstances, say anything in violation of the rules of the Senate.

Would it be a violation of the rules of the Senate if I were to assert at this time that when the junior Senator from Pennsylvania [Mr. SCOTT] stated, late yesterday, that I indulged in a "rather juvenile stopwatch technique designed solely to try to cloud and conceal the facts," the junior Senator from Pennsylvania not only made an untruthful assertion assailing the motives of the junior Senator from Ohio, but also resorted to unfair, unseemly, and unjustified tactics in making such statement?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Under rule XIX,

clause 4, so the Parliamentarian advises the Chair, the Senator from Ohio would be in order, unless some other Senator called the Senator from Ohio to order. Any Member of the Senate could, of his own volition, call the Senator from Ohio to order; and at that point the Senator from Ohio would be required to take his seat, unless the Senate on motion authorized him to proceed in order with his remarks.

Mr. YOUNG of Ohio. I thank the Chair.

It happens that I was not notified that on yesterday the junior Senator from Pennsylvania was going to say anything which did, in my opinion, question and assail my motives. Therefore, at that time I was not in the Chamber.

Mr. KEATING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS—ABSENCE OF SENATORS

Mr. WILLIAMS of Delaware. Mr. President, the Senator from New York [Mr. KEATING] has agreed to have the quorum call withdrawn, recognizing the fact that most of the Members on the other side of the aisle are out of town, and it would therefore be impossible to get a quorum. In the absence of a quorum we would be forced to recess or adjourn.

It does seem strange that, when in the interest of getting our legislative program completed in this short session and when we have a Saturday session, yet so many Members of the majority party of the Senate are gone and we cannot transact business. I refer particularly to some of those who while campaigning are expressing the most interest in this bill. Had my friend from New York insisted on a quorum, the presidential candidate from the other side of the aisle would be recorded as absent and I know he would not want that to happen, nor would he want the RECORD to show the unusually large absenteeism of the majority party.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KEATING. I appreciate my colleague's yielding to me. I thought it might be desirable to have a quorum present to listen to the words of our distinguished friend from Michigan. I understand our distinguished friend from New Mexico follows him. Both of them have studied very much the problem which is before us.

It was represented to me that it would not be possible to obtain a quorum without a great deal of effort. As the Senator from Delaware has pointed out, the distinguished junior Senator from Massachusetts is not present.

There has been a great deal of talk about this. I happen to have personal knowledge that the Vice President has stayed in town this weekend, thinking there might be some issue upon which there might be a tie vote which he would be required to break. He has declined two or three speaking engagements of great importance outside of Washington in order to be here.

I certainly do not desire in any way to disrupt the proceedings of the Senate. That is the reason why I consented to permit the quorum call to be called off. I think the Senator from Delaware has performed a service by bringing to our attention the fact that we are present, ready to transact business. Apparently there are not enough Senators present to do so.

Mr. HARTKE. Mr. President—
The PRESIDING OFFICER. Does the Senator yield to the Senator from Indiana?

Mr. WILLIAMS of Delaware. I will yield in just a minute.

I wish to express my commendation to the Senator for his cooperation in permitting the quorum call to be called off. Neither he nor I would wish to have the quorum call proceed and to have the Senate adjourn for lack of attendance. I realize the majority of the Members on our side of the aisle are present, but we do not have enough on our side of the aisle to establish a quorum. Neither of us would wish to have the RECORD show the widespread absenteeism on the other side of the aisle. The Senator from New York and I would both regret very much the necessity of a quorum showing the absenteeism of the junior Senator from Massachusetts who claims to be so interested in the pending bill.

Mr. HARTKE. Mr. President—
The PRESIDING OFFICER. Does the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from Indiana.

Mr. HARTKE. Mr. President, I think in all fairness it should be pointed out that last Saturday, while we were here, the distinguished Vice President made a trip to Maine. During the week—I think it was on Thursday—the Vice President went to Greensboro, N.C., to make a visit. I think that is good; he should go ahead about his campaigning business. However, in all fairness it should be pointed out that the Vice President is not presiding at the moment. The distinguished Senator from Georgia [Mr. TALMADGE] is presiding, and doing well. I think that is all right. I do not wish to have anybody think there is any question of unfairness involved in pointing out who is absent and who is present.

Mr. WILLIAMS of Delaware. There is no question of unfairness.

I desire to invite attention to a difference in the situation. The Vice President, when he was not to be here, did not ask that the Senate stay in session but not vote until he got back. The Vice President is perfectly willing to have the Senate vote. He has been here when it was necessary to vote.

The Vice President is in town now. Much has been said of the fact that he is not presiding over the Senate this

afternoon although he was here earlier today. I think we all recognize that the office of the Vice Presidency today is much different from what it was in the past. The duties of the Vice President are such, and should be such, that they do not necessitate the Vice President sitting in the Chair to preside over the Senate and to listen to a lot of dry speeches 10 or 15 hours every day. That is a waste of good manpower.

Now that this subject has been brought up, considering the fact that there is so much criticism of the Vice President's not continually presiding over the Senate, I certainly hope it does not mean that in the event our friends on the other side of the aisle are successful in the coming election next year they are going to downgrade the position of the Vice-Presidency to one of merely presiding over the Senate.

Mr. HARTKE. Mr. President—

Mr. WILLIAMS of Delaware. I believe the junior Senator from Massachusetts would be the first to repudiate that thought. I am confident our majority leader would certainly reject it also. A man with the ability, talent, and experience of our majority leader, if he should be elected Vice President of the United States, certainly should not have his talents wasted by his party, on the other side of the aisle, insisting that if he is the Vice President he is going to have to sit in the Presiding Officer's chair in the Senate all the time and listen to U.S. Senators make a lot of uninteresting speeches.

I think my friend from Indiana will admit that is a waste of time.

Mr. HARTKE. I will say to the Senator—

Mr. WILLIAMS of Delaware. I do not mind criticism of our own Vice President—

Mr. HARTKE. I did not know I had criticized.

Mr. WILLIAMS of Delaware. I am much concerned about this question and I hope that we can get it cleared up from the other side of the aisle. In all fairness to the majority leader whom I respect very highly—he is entitled to know to what extent his party would use his talents.

Mr. CASE of South Dakota and Mr. HARTKE addressed the chair.

The PRESIDING OFFICER. Does the Senator from Delaware yield; and, if so, to whom?

Mr. WILLIAMS of Delaware. I will yield in just a moment.

I hope that one of our leaders—either the majority leader or the junior Senator from Massachusetts—will clear up the inference that they are going to downgrade the position of the Vice-Presidency from that which it has been in the last few years.

I know that President Truman, with whom I did not always agree, did the country a great service, as he assumed the Presidency, when he elevated the importance of the position of the Vice President, with Mr. Barkley holding that office. He made use of the Vice President's great ability in a manner other than to preside over the Senate.

In my opinion it will be a waste of manpower to relegate the Vice Presi-

dent to such a position and to bar him from all participation in the work of the executive branch. After all, if anything should happen to the President of the United States, the Vice President must be aware of what is going on in the executive branch, so that he will be able to assume the duties of the office at any time.

I again wish to compliment President Truman on the manner in which he elevated the position of the Vice Presidency, under Mr. Barkley. I compliment also our own President, Mr. Eisenhower, for the manner in which he has gone even farther in assigning important duties to our Vice President. Those duties are far more important than those of presiding over the Senate.

I am exceedingly hopeful, regardless of who may win the next election, that the new President will use the Vice President even more in the important work of our Government.

SOCIAL SECURITY AMENDMENTS OF 1960

The Senate resumed the consideration of the bill (H.R. 12580), the social security amendments of 1960.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I had indicated I would yield first to my friend from South Dakota.

Mr. CASE of South Dakota. Mr. President, the junior Senator from South Dakota desires to make a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Delaware yield for that purpose?

Mr. WILLIAMS of Delaware. I yield. The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. CASE of South Dakota. I desire to make this inquiry with the understanding that the Senator from Delaware will not lose his right to the floor.

Mr. President, my parliamentary inquiry is, Does the parliamentary situation at this time permit the Senate to proceed to a vote on any amendment?

The PRESIDING OFFICER. There is no amendment pending at the moment. The bill is open to amendment.

Mr. CASE of South Dakota. Have the committee amendments been agreed to?

The PRESIDING OFFICER. The committee amendments have been agreed to en bloc.

Mr. CASE of South Dakota. Are the committee amendments considered to be original text?

The PRESIDING OFFICER. The committee amendments have been agreed to en bloc with the understanding that the committee amendments will be treated as original text for the purpose of amendment.

Mr. CASE of South Dakota. If an amendment were to be offered at the present time, could a Senator ask for a vote on the amendment?

The PRESIDING OFFICER. The Senator could, if no Senator desired to

speak further. A vote would then be in order.

Mr. CASE of South Dakota. The Senator from South Dakota has one or two amendments in mind, but does not know whether this is an auspicious time to offer them. The Senator from South Dakota would wish to have a ye-a-and-nay vote if he were to offer the amendments.

Mr. HARTKE. Mr. President—

The PRESIDING OFFICER. The bill is open to amendment.

Does the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I will yield in just a moment.

I understand there was a statement yesterday on the part of the majority leader that there would be no votes today, and I know we all will respect that statement of the majority leader.

However, I understand that if there are no amendments offered and if there are no speakers we could proceed to a third reading of the bill, and be ready for a final vote Monday.

The PRESIDING OFFICER. There has been no unanimous-consent agreement adopted.

Mr. WILLIAMS of Delaware. The Presiding Officer is correct.

The PRESIDING OFFICER. As the Senator knows, the bill is open to amendment. If no amendment be proposed, the bill will be ready for third reading.

Mr. ALLOTT and Mr. HARTKE addressed the Chair.

Mr. WILLIAMS of Delaware. I yield to the Senator from Colorado.

Mr. ALLOTT. I thank the Senator.

Mr. President, since the quorum call was called off, I wish to have the Record show that the senior Senator from Colorado was on the floor at the time of the call of the roll and is now on the floor. The senior Senator from Colorado is in Washington attending to the business of the Senate.

I have felt that this particular session of the Senate was unnecessary and that if we had gotten down to work earlier in the spring, instead of having all sorts of delaying tactics and delaying speeches on the floor, we could have had our work done long before this. Nevertheless, the majority worked its will, in spite of my vote, and we did recess until this particular time.

There are some of us who are running for office this fall. I note from the newspapers that my particular opponent is out making political speeches to the people of Colorado, which he is perfectly entitled to do, but I should like to be there in cool Colorado with my friends discussing the issues of the campaign rather than driving around or being present in the muggy heat of Washington.

So it is my hope that on this day we can make some progress. Some of us are anxious to leave. I state flatly that it is not going to be very long before this Senator is going to leave, whether the Senate is still in session or not, because I feel that I have a right to go to my home State and acquaint my constituents and friends with the issues and do such campaigning as must be done.

I thank the Senator from Delaware very much for yielding, and particularly for the opportunity to show that I was present this Saturday morning, when I had foregone an opportunity to speak at a very influential gathering in my own State today in order to be here.

Mr. WILLIAMS of Delaware. I thank the Senator from Colorado. I know that the Senator from Colorado, as well as many Senators from this side, including the Senator from Kansas [Mr. SCHOEPFEL] who is sitting here beside me, had speaking engagements back in their States, but they are in attendance today because they wished to help expedite the business of the Senate. Again I compliment and thank the Senator from New York for his cooperation, because the only manner in which the Senate can even proceed with speeches today is to have a quorum call withdrawn. Obviously there is not a quorum with so many Members of the majority party having already left town for the weekend.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. HARTKE. I point out to my good friend from Delaware that I did not mean to imply any criticism of the Vice President for not being present last Thursday or Saturday. On the contrary, I said that in all fairness his absence should be explained. I think the Vice President has very important duties, and I think among those were campaign appearances last Thursday and last Saturday, which were of a political nature, but certainly in the interest of giving the Vice President's views to the public so that the people of our country might know about his position on public matters.

In regard to the subject of voting today, I think in all fairness to Senators who are present, there should be no misunderstanding. It was the minority that practically insisted that the majority leader assure the Senate that there would be no votes today. I read from the Record on page 16857:

Mr. DIRKSEN. Mr. President, I think it ought to be made definite that there will be no votes, rather than to say that no votes are anticipated. A good many Senators have already left the city; others will be leaving. I think there should be definite assurance that under no circumstances will there be a vote on any amendment tomorrow.

Mr. JOHNSON of Texas. I cannot go that far, because I do not control that procedure. However, so far as the majority leader can control the procedure, there will be no votes.

This procedure was not a matter initiated by the majority leader; this was a question of trying to work out an agreeable procedure.

I should like to say one thing further, because I am going to meet a question when I arrive home. Yesterday on a rollcall I voted for two measures that were presented at the special request and insistence of the President to authorize the expenditure of \$500 million for South America and \$100 million for the Congo.

Senators talk about cooperation with the President. Certainly there was no effort to delay procedures in order to pass those two measures yesterday on the

floor of the Senate. They were measures which under normal circumstances would call for long debate and searching questions as to what would be done with the money after it had been appropriated.

The point is that the bills were passed, and the majority of Senators on this side of the aisle, including myself, voted for the bills.

I do not mind telling the Senator that we will meet the charge from Republicans at home that we are big spenders because we have spent what the President wants us to spend. We are big spenders because we authorize money the President wants us to spend. We have held up the progress of Congress when in one day we pass two bills which the President describes as emergency measures in our international affairs.

I think it is right that when we hit the water's edge, partisan consideration should cease. So far as I am concerned, I have observed that principle, and I am sure many other Senators have also. I think other Senators in good conscience should hold the line there also.

Mr. WILLIAMS of Delaware. I thank the Senator, and I assure him that I never for one moment thought that anything he was saying about the Vice President was in any way political or critical, just as I would not want the Senator from Indiana to think that anything we are saying over on this side of the aisle is in any sense political. We all realize to what extent we are operating in the U.S. Senate during this special session in a nonpolitical atmosphere.

I compliment and thank my good friend from Indiana for his support yesterday of the President of the United States. I believe I can assure him that when he returns to his home State he will not have much difficulty in explaining to his constituents satisfactorily at any time when he has supported the President of the United States. It is only when he has not supported him may he have a little more difficulty. I hope that the spirit of cooperation in which my friend from Indiana supported the President of the United States yesterday will carry through on the bill which is now pending. If he does, I am confident that he will again be on the right track.

As to the charge that those who support the President are called big spenders, I think he is in error. It was at times when Congress tried to spend much more than the President said was necessary that Congress received criticism. On occasions, Senators on the other side of the aisle have felt the spending urge and have added to that which the President said was necessary, and such excess is what has caused the Senator's party to receive the tag of big spenders.

If you will stop trying to increase the appropriations far above the budgetary requests you will be able to drop the label of big spenders.

Some Senators have too much enthusiasm for these spending programs. If they will only control that enthusiasm next week when we vote on some of the programs that are being advocated here, I think we can all go home with the compliments of our constituents.

Mr. HARTKE. I hope the Senator from Delaware is correct. This bill is a good example of what I have been talking about. The Congress should enact a health plan based upon the social security approach with contributions from workers, and not go ahead and raid the Treasury Department, as is proposed by the administration. The administration proposal is to make a direct raid, a direct gift, and a subsidy to the people on the basis that they need medical care.

I observed as I sat in the committee a remarkable development in the fact that there does not seem to be any difference now between the approach of the administration and the approach of those of us on this side of the aisle in regard to the need for medical care. The question now is, How will the bill be paid? Frankly, we feel the bill should be paid in the real American way—on an insurance basis, by which individuals make contributions, and later receive the benefits from their payments. The administration believes that the Government should make a direct subsidy. I know my distinguished friend from Delaware, based upon his constant observation of the doctrine of avoiding subsidies to the people, will be on the side of those who feel that we should pay as we go on the social security approach. I am sorry he will have to leave the approach of the President, but I know in cases of national urgency he will feel that subsidies of this nature cannot and should not be granted.

Mr. WILLIAMS of Delaware. I thank my good friend from Indiana again. I know his remarks are expressed in all sincerity. What gives me some concern is that my friend from Indiana takes the attitude that the program which he is advocating under the social security approach will not cost the American taxpayers anything, and would cause no raid on the Treasury. Who would pay the tax to which you so lightly refer? The Senator from Indiana proposes to place the tax on the workers of America. When he speaks of raiding the Treasury, I ask him where the Treasury gets its money? From the taxpayers of America. Any program that is adopted will be a program that will be paid for by the taxpayers of America, and the only difference in approach is whether we shall vote to adopt a program which will increase the tax on the workers of America alone, or whether we shall vote a program under which the cost will be divided among all the people of America. That is the major point involved. It is a point which will be argued later, and into which I do not wish to go now, because I know my friend, the Senator from Michigan [Mr. McNAMARA] and my friend from New Mexico [Mr. ANDERSON] wish to get on with their speeches.

With such a program such as the Senator has proposed there will be a reduction in the paycheck of every worker in America. I emphasize I have had a great respect for my friends on the other side of the aisle, but I shudder at the casual manner they use when talking about increasing taxes.

Why do you get so enthusiastic every time someone suggests raising taxes?

Surely we are not to witness the revival of that old New Deal philosophy of tax, spend, and elect. I am not unmindful of the fact that since we first put the Federal income tax law in effect, in 1913, there have been 15 tax increases, and every one of those tax increases except 2 were enacted by the Democratic Party. It is this free and easy tax and spending policy that distresses me. Some even argue that it does not make any difference how much we raise taxes so long as we give something back to the people. If that is the program of this New Frontier coalition I do not like it.

On the other hand, 8 of the 10 tax reductions given to the people have been given to them by the Republican Party. With respect to personal exemptions, when the New Deal administration took over, the personal exemption was \$1,000 for each individual, and \$2,500 for a married couple. That was in 1933. Under the New Deal and Fair Deal these exemptions were whittled down to \$500 by 1947. The Republican-controlled 80th Congress, over the veto of the President, Harry Truman, increased the exemption by \$100, to the present \$600. Throughout the entire history of our Federal income tax law the Democratic Party, when it has been in power, has never raised the exemption at any time. Oh, it promises to raise these exemptions when campaigning but when in power they lower them. The Democratic Party's platform is always pledged to raise the personal exemption. But, the actions of the Democratic Party in Congress show that every time they have tampered with it, they have decreased the exemption. The whole record of the Democratic Party is one of continuously raising taxes and then staying awake nights to think of new ways to spend.

It is for those reasons that I am concerned by what the Senator from Indiana has just said. Do not forget that whenever we vote money out of the Treasury, whether it is for the social security program or for any other Federal project, the cost is assessed to the American taxpayers.

The Government has no mysterious source of income. The only money we can appropriate under any program is money which has first been taken either directly or indirectly out of the pockets of the American taxpayers. We do not give the American people anything.

Now, again, I thank the Senator from New York for not insisting on a live quorum and thereby embarrassing our friend from Massachusetts by having the RECORD show that he is absent today.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KEATING. I do not wish to prolong the discussion on the bill which is before the Senate, at this point, but I must express, not criticism, but certainly consternation and distress to hear my friend from Indiana, who usually has such a sympathetic attitude, say that it is a raid on the Treasury for provision to be made for the elderly people, for those who need the aid so badly. It is almost universally agreed that something should be done for the older

people to meet their medical needs, particularly for those who need the help. There are different viewpoints as to how the problem should be approached. However, to hear it called a raid on the Treasury, or even a subsidy, distresses me very much. I am surprised and distressed.

Mr. WILLIAMS of Delaware. I thank the Senator.

Mr. McNAMARA. Mr. President, in view of the administration's loudly proclaimed crusade for fiscal responsibility, it is hard to understand their stubborn shortsightedness in supporting a health program for the aged that can cost the taxpayers billions of dollars.

If it is true that some 10 million aged persons would be eligible for services under the bill approved by the Finance Committee, this medical care program could cost the States and the Federal Government approximately \$2.5 billion, with the Federal share amounting to \$1.7 billion.

Perhaps the administration is not too concerned about the cost because these figures really are not meaningful. The blunt truth of the matter is that it would be the miracle of the century if all of the States—or even a sizable number—would be in a position to provide the matching funds to make the program more than just a plan on paper.

Let us face the fact that what would really happen is that the cost would be kept low, and so would the number of aged persons receiving medical care.

Is this what we really want?

To apply a means test, to require the surrendering of dignity and worldly possessions to become a charity patient, is repugnant to the American concept and desire for an abundant and secure retirement for its elderly citizens.

The social security approach applied to a health insurance program is fiscally sound.

It provides a pay-as-you-go system of financing, does away with the humiliating means test, and avoids placing an impossible financial burden on the States.

At hearings of the Senate Subcommittee on Problems of the Aged and Aging this program received the endorsement of the Nation's leading economists and public health specialists.

The working people who would benefit from this type of a program are willing and anxious to pay for it during their active working years, so that when the time comes for them to retire, health insurance will be an earned right, not a charity handout.

As a nation we can be proud of our medical achievements.

Now let us find a way to make it possible for these benefits to come within the reach of our aged.

In no field of public policy have so many myths been employed as instruments to confuse the public as in this area of medical insurance for our aged citizens. Pressure groups with vested interests have expended large sums to distort income statistics, have flaunted hysterical slogans and have poured heavy resources into advertising and pressure campaigns.

With all this emotional effort they have not been able to refute or wipe out the plain, simple fact that the aged of this Nation have costly medical needs, have shamefully low incomes and have refused—as a group—to bend their knees for charity to pay for medical bills. They would rather suffer silently and, in some cases, have literally died first.

The aged deserve and insist on dignity in meeting medical costs. They assert—as we do—that a system of medical insurance operating through the established social security system is the effective, efficient, and dignified means to accomplish this purpose.

Mr. President, let us take up these fictional arguments one by one early in this debate and dispose of them once and for all. We can then get on with an intelligent discussion of the policy free from the vague, visceral slogans of the mimeograph mind.

FACT AND FICTION ABOUT MEDICAL CARE PROBLEMS OF THE AGED

First. Fiction: The aged have no special health problems. This has been stated over and over again.

Facts: (a) persons 65 and older with one or more chronic condition, 76 percent; persons of all ages with one or more chronic condition, 41.4 percent.

(b) Percent discharged from short-stay hospitals, aged, 12.1 percent; all ages, 9.9 percent.

(c) Percent in hospital more than 30 days, aged, 38.8 percent; all ages, 27.1 percent. Average number of days in hospital, aged, 15; all ages, 9.

(d) More than half the aged who have chronic conditions are limited in their activity.

(e) Many have residual handicaps that might have been prevented if the disease or injury had been adequately treated at the outset.

(f) At any given moment, there are about 750,000 cases of cancer, most of which are in those over 65.

(g) While the aged make up only about 9 percent of the total population, they constitute 40 percent of all heart disease cases.

(h) As of 1957-58, medical expenditures by the aged, on a per capita basis, were 88 percent greater than those for all ages. Since then the difference is even greater in all likelihood. Hospital costs have been increasing at an annual rate of 8 percent. From 1952 to 1957 health expenditures for all ages increased 42 percent, but 74 percent for aged.

Second. Fiction: Older persons have adequate incomes to meet their medical costs.

Facts: (a) For the same 5-year period—1952-57—income of families with aged heads and of aged unrelated individuals rose by only 20 percent.

(b) As of 1957-58, nearly one-half of the aged in a health information foundation study—47 percent—had no assets at all or only one type of asset—home, life insurance, savings, stocks, or help from relatives—to pay, in whole or in part, a medical bill of \$500 or more.

(c) In 1958 Census Bureau figures showed the following income data: First for all aged individuals, 60 percent—9.6

million—had incomes of less than \$1,000; second, for families with aged heads—6 million families—half of them had no more than \$2,600 income; third, for 3.5 million aged unrelated individuals, half had no more than \$939 income.

(d) The 1959 Survey of Consumer Finances, Federal Reserve Board—which does not include aged of very lowest income and in institutions, and so forth—shows that there are now more aged with no liquid assets than there were in 1949: 1949, at least 3.9 million spending units; 1959, at least 4.6 million spending units.

(e) The same survey of 1959 shows that 45 percent had less than \$500 in liquid assets; 30 percent had no liquid assets at all.

NOTE.—1949-59 Survey of Consumer Finances statistics do not take into account changes in purchasing power of assets—nor increase in aged's medical costs—since 1949.

(f) Since the new Anderson-Kennedy-McNamara amendment applies only to social security beneficiaries aged 68 and over, these kinds of figures on income and assets cited above would indicate worse financial conditions for the 68-and-over aged population.

(g) The median income of aged males—including those working full-time and those 65 to 68—was \$1,488 in 1958. And this figure does not include aged men with no income at all.

(h) All these figures should be weighed against the statement by the Secretary of HEW that, on the basis of a very low-cost food budget, an income of less than \$2,560 for an elderly couple is uncomfortably low.

(i) As of the end of 1958 only 1.5 persons 65 and older were on private pensions.

(j) In 1949 the median income of families with aged heads was 60.6 percent of the median for all U.S. families, but by 1958 it dropped to 52.4 percent.

(k) Even when we take into account the differences in family size, the income of the aged is lower than that for other families.

Third. Fiction: The medical problem of the aged can be met through private insurance.

Facts: (a) Including those with inadequate private insurance coverage, only 42 to 49 percent of the aged have any health insurance. These figures are only estimates by the Department of HEW and the insurance companies.

(b) These figures also include employed older people, who probably have the highest percentage of coverage because they are more likely to be able to afford premiums, and their employer probably contributes. They also include the 65-67-year-olds who have greater private coverage than those 68 and older.

(c) Many Blue Cross plans suffer deficits because of their inclusion of aged persons at no extra premium or at premiums not calculated to finance their higher risks and higher costs.

(d) The social security 1957 survey showed that among hospitalized insured aged beneficiaries, 73 percent had zero to one-half of their medical costs met by insurance.

(e) Only 14 percent of all beneficiary couples had some or all of their medical costs covered by insurance.

(f) Most insured persons do not have the right to convert group policies to individual ones when they retired. Only 30 percent have this right, in the Nation as a whole.

(g) For those who do have the right, the increase in the premium is 80 to 300 percent of the preretirement group premium.

Fiction: The American people are against the social security approach.

Facts: (a) First of all, the vast majority of Americans approve and accept the 25-year-old system of social insurance for meeting the hazards of old age.

(b) The two best and most reputable national studies—by the University of Michigan and by the National Opinion Research Center—show that the majority of their national samples favor a government role in meeting the medical cost problems of people.

University of Michigan study, 1956: 55 percent favor, 25 percent oppose, 20 percent no opinion.

NORC study, 1957-58: 54 percent favor, 43 percent oppose, 3 percent no opinion.

NOTE.—The questions used in these two surveys referred to doctors' fees, and for health care in general for individuals of all ages. The Anderson-Kennedy-McNamara amendment applies only to beneficiaries 68 and older—and excludes payments for doctors' fees.

(c) No really scientific study—with carefully worded questions asked of a truly representative sample—has been done in the past 2 years covering the entire American population, asking specifically about approval of a social security program of benefits such as provided in the A-K-M amendment for older persons.

(d) It is interesting to note, however, that in surveys conducted in two heavily Republican congressional districts in 1960, using words and/or "sampling" techniques that result in a bias against such a proposal—the large majority still favored the idea:

First. Twenty-second District, Ohio, Mrs. BOLTON, with question asking about all medical expenses, and the answers solicited and returned through a mailing technique:

Should the Social Security Act be amended to include the payment of all medical expenses after retirement, the cost to be paid by both employers and employees?—CONGRESSIONAL RECORD, March 10, 1960:

[In percent]				
	In favor	Against	No opinion	Total
1959.....	48.5	38.9	12.6	100
1960.....	60.3	32.0	7.7	100

Second. Fifth District, Minnesota, Mr. Judd, with question asking about surgical benefits—not covered in A-K-M amendment—and using a sampling technique based on telephone directory, which reduces number of low-income and aged persons:

Do you favor increasing the [social security] tax in order to provide additional

benefits, such as providing insurance against costs of hospital, nursing home, and surgical services for retired persons under social security?—CONGRESSIONAL RECORD, June 25, 1960:

	In favor	Against	No opinion	Total
All respondents.....	59	33	8	100
Democrat-Farm Labor.....	78	15	7	100
Republicans.....	50	42	8	100
Independents.....	66	28	6	100
No party indication.....	64	26	10	100

Fiction: The cost of the social security approach is enormously greater than asserted.

Facts:

First. The cost was computed carefully and with conservatism by the Chief Actuary of the Social Security Administration.

Second. The cost is figured on a level premium basis and takes into account increases for the next 100 years.

Third. The calculated cost does not include reductions of 15 to 20 percent in overall costs estimated by experts of the Social Security Administration to result from emphasis on preventive medicine and low cost nonhospital care.

Fourth. Expenditures for the early years will run around \$700 million and revenue will be over a billion dollars per year. This provides a prudent future reserve.

Fiction: This is only the beginning and will lead to national compulsory health insurance.

Facts:

First. The aged have a special problem today and this is the one that we are attempting to solve.

Second. We are not asserting an urgent need for covering the general population.

Third. Under this argument, the parade of future horrors, we would never enact any programs to meet urgent needs.

Fiction: Social security will lead to poor quality medicine.

Facts:

First. The quality of medical care is the responsibility of the medical profession and it will not abdicate this responsibility.

Second. The source of the funds received by the hospital will have no effect upon how that hospital cares for any given patient.

Third. Over 5 percent of hospital bills are unpaid. Source: American Hospital Association report. When hospitals receive payments for these bills, it will permit them to improve services for all their patients.

Fourth. Good hospitals now assure that care of high quality is given in their institution.

Fiction: There will be excessive use of facilities.

Facts:

First. Admission and discharge to and from hospitals is controlled by the patient's physician.

Second. The bill calls for a review of long-stay cases by a committee of physicians who are on the staff of the hospital.

Third. The balanced set of benefits provided in the bill will tend to limit the use of expensive facilities and encourage the use of less expensive facilities when these are appropriate for the patient.

Fourth. Any increase in use will be temporary as those who have postponed the need for care get it. When this backlog has been dealt with, the amount of care given will level off.

Fifth. Older persons who have hospital insurance stay in the hospital only half as long as those who don't have hospital insurance.—Per OASDI survey.

Fiction: The social security approach is socialized medicine.

Facts:

First. Socialized medicine means that the doctors work for the Government. How can they say that about this program when the doctors will continue to be paid by their patients?

Second. This approach is one of insurance, not of direct service. In this, it is much like the widely accepted voluntary health insurance programs—like Blue Cross.

Third. The program will not take over the hospitals and nursing homes; it will simply pay their bills.

Fourth. There can be no governmental interference in the physician-patient relationship since the doctors are not included in the program.

Fiction: Private insurance will be run out of business.

Facts:

First. There has been a dramatic growth in life insurance and retirement annuities following passage of social security.

Second. This program would remove the least profitable segment of their business.

Third. It would permit them to charge younger people less because they will not be saddled with the cost of care for older people.

Fourth. Those older people who can afford it will be able to purchase insurance for those benefits not provided in this bill and also have luxury care.

Fiction: There is no one who needs medical care who can't get it now.

Facts:

The health of the aged will be sustained only by early examination and treatment, not when a bursting emergency is at hand.

First. There is one unknown diabetic for every known one.

Second. Four percent of the people over 40 have glaucoma—three-fourths undetected.

Third. Six women in every thousand run around with cancer of the cervix undetected.

Fourth. These people need medical care and can't get it now.

Fiction: Social security approach does not cover everyone.

First. Nine out of ten workers are covered.

Second. With the passage of time, more and more aged persons will be eligible for the program and fewer and fewer will have to rely on public assistance.

Third. At present, 9 million of the 12.5 million over 68 are eligible for the program; 1.5 million of the remainder are now receiving some medical care through public assistance; a half million are covered by civil service or railroad

retirement pensions and these can buy into the program; others may still be employed full time and the remainder can be helped by the medical indigency program until coverage as a right under OASDI is more widespread.

Fiction: Social security is compulsory medicine.

Facts:

First. The only compulsion involved in this program is to pay the contribution.

Any public program involving tax funds requires this much compulsion.

Second. The acceptance of benefits is purely voluntary.

Third. Free choice of physician, hospital, or nursing home is guaranteed.

Fourth. The bill specifically prohibits interference in the practice of medicine and indeed, physicians' services are not covered at all.

Fiction: Social security approach does not pinpoint the need.

Facts:

First. People often cannot recognize the need for care since they do not realize they may have a serious progressive disease.

Second. Financial need is widespread among the aged since 57 percent of them have less than \$1,000 per year cash income.

Third. Nobody can tell when he will have a huge medical bill and therefore everybody requires health insurance.

Fourth. Delay in receiving care raises the total cost of taking care of the aged person.

Those medical care programs which emphasize early diagnosis use 20 percent fewer hospital days than do programs which do not.

Basic data on health status of aged

1. Chronic ailments (as opposed to acute ones) typify the aged population:

	Ages			
	All ages	25 to 44	45 to 64	65 plus
Percent with 1 or more chronic conditions..	41.4	49.2	60.1	76.0
Percent limited in activity.....	10.1	7.7	16.8	42.3

4. A higher proportion of the aged are in the hospital for more than 1 month:

	Ages			
	All ages	25 to 44	45 to 64	65 plus
Percent in hospital more than 30 days.....	27.1	19.5	31.0	38.8

(Above data from U.S. National Health Survey, Public Health Service.)

5. On a per capita basis, in 1957-58, the total medical expenses of the aged were 88 percent greater than for the general population:

	Ages				
	All ages	18 to 34	35 to 54	55 to 64	65 plus
Personal consumption expenditures for health ¹	\$94	\$98	\$108	\$129	\$177

¹ Excludes (1) payments paid as premiums for health insurance, but includes amounts paid out as benefits; (2) payments for all institutionalized persons. (From Health Information Foundation study.)

6. Hospital expenses—as of 1957-58—are higher and are a greater proportion of total medical expenditures among the aged:

	Ages	
	All ages	65 plus
Dollar hospital expenditures (per capita).....	\$22	\$49
Hospital expenditures as of percent of total.....	28	28

(From Health Information Foundation study.)

2. The aged enter hospitals more frequently than the general population:

	Ages	
	All ages	65 plus
Percent discharged from short-stay hospitals.....	9.9	12.1

3. Their average length of stay is higher than for the general population:

	Ages			
	All ages	25 to 44	45 to 64	65 plus
Average number of days.....	8.6	7.2	12.0	14.7

Basic data on health status of aged—Continued

7. The most frequent types of illnesses hospitalizing the aged are also the ones costing them more, relative to the costs of the same illnesses among the rest of the hospitalized population:

Diagnostic categories	Under 65		65 plus	
	Hospital charges	Percent of total	Hospital charges	Percent of total
Diseases of circulatory system.....	\$276	4.9	\$377	13.7
Nervous system and sense organs.....	252	2.6	404	7.3
Diseases of digestive system.....	292	4.9	413	5.9
Cholecystitis and cholelithiasis.....	391	3.0	506	5.7
Bronchopneumonia.....	233	4.3	357	5.1
Average total hospital charges (including all diagnostic categories).....	217		399	

(From University of Michigan study, 1959.)

BASIC DATA ON HEALTH

Thus the health care problem of the aged is aggravated by (a) their greater frequency of chronic illnesses and hospital stays; (b) the higher cost of their medical expenses; (c) the higher proportion paid out of pocket by them; and (d) their sharply lower financial ability to finance medical expenses:

(a) While the increase in health expenditures from 1952-53 to 1957-58, for all ages, was 42 percent, the increase for the aged was 74 percent.

(b) The financial ability of the aged has not grown by the same magnitude.

In the same 5-year period, the income of families with aged heads and of aged unrelated individuals increased only about 20 percent.

According to the Federal Reserve Bureau's 1958 survey among a sample of three-fourths of the aged population—typically in better financial status than those not surveyed—45 percent had less than \$500 in liquid assets, 30 percent had no liquid assets whatsoever.

Census Bureau estimates of the 1958 income of the aged indicate that (a) for individuals, 60 percent—9.6 million—had incomes of less than \$1,000; (b) for

8. The higher the age, the greater is the proportion of hospital charges (which are higher to begin with) paid by the patient:

	Ages			
	25 to 44	45 to 64	65 to 69	70 plus
Percent paid by patient, completely or in part.....	28.7	27.7	46.6	65.1
Average hospital bill.....	\$215	\$359	\$406	\$399

(From University of Michigan study, 1959.)

families with aged heads—6 million families—half had no more than \$2,600 income in 1958; (c) for unrelated individuals—3.5 million men and women—half had no more than \$939 in that year.

Mr. President, many questions concerning this program have been raised. A number of tables containing information in reply to those questions have been prepared. I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

	Recipients of OAA per 1,000 population aged 65 and over (June 1959)	Population age 65 and over (in thousands) July 1958 estimate	Number of OAA recipients January 1960	Maximum money ¹ payments, legal limit unless noted as adminis.	Notes	Average payment including vendor payments, November 1959
Alabama.....	406	241	99,278	\$75		\$48.17
Alaska.....	210	6	1,452	100		64.22
Arizona.....	176	75	13,948	80		61.89
Arkansas.....	290	187	55,470	60 v		47.76
California.....	215	178	267,743	106 v	January 1960, \$115.....	90.73
Colorado.....	330	139	51,434	105 v		99.13
Connecticut.....	67	220	14,732	v		110.84
Delaware.....	44	32	1,343	75		49.33
District of Columbia.....	47	61	3,146	v		63.84
Florida.....	151	453	69,976	66 v		55.29
Georgia.....	356	264	97,508	65		47.26
Guam.....			51			25.63
Hawaii.....	50	28	1,471	v		61.98
Idaho.....	131	56	7,396	v	Nursing home care only.....	66.79
Illinois.....	83	914	75,443	65 v	Cost-of-living index (administrative).....	73.53
Indiana.....	70	418	28,271	70 v		61.04
Iowa.....	111	316	34,877	v		73.51
Kansas.....	129	226	28,971	v		78.66
Kentucky.....	205	272	56,685	65	Administrative.....	44.89
Louisiana.....	572	209	124,643	72 v	February 1960, \$78 (administrative).....	66.11
Maine.....	115	103	11,881	65 v	County classification (administrative).....	63.78
Maryland.....	48	198	9,668	100-210 v		60.49
Massachusetts.....	157	513	80,523	v		100.06
Michigan.....	108	590	62,709	80 v		71.81
Minnesota.....	142	335	47,502	71 v		85.90
Mississippi.....	446	174	80,326	35	July 1960, \$40.....	29.83
Missouri.....	256	460	17,677	65 v	(?).....	59.49
Montana.....	112	63	7,053	85		63.84
Nebraska.....	100	152	15,288	70 v	(Administrative).....	69.35
Nevada.....	201	15	2,624	75 v	do.....	70.34
New Hampshire.....	79	65	4,932	70 v		78.05
New Jersey.....	38	497	18,855	v		88.24
New Mexico.....	211	47	10,699	180 v	Case maximum (administrative).....	67.37
New York.....	55	1,529	83,888	v		105.97
North Carolina.....	169	285	49,232	v		40.73
North Dakota.....	135	52	7,318	v		85.01
Ohio.....	106	834	90,187	v		70.57
Oklahoma.....	384	229	90,471	133 v	(Administrative).....	82.87
Oregon.....	104	173	17,205	v		77.44
Pennsylvania.....	47	1,046	50,307	v		68.20
Puerto Rico.....	378	103	39,701	v		8.20
Rhode Island.....	83	84	6,522	v		77.77
South Carolina.....	223	145	33,017	60 v	Administrative.....	39.52
South Dakota.....	132	68	9,085	v		60.43
Tennessee.....	200	277	55,770	55 v	Administrative.....	41.78
Texas.....	326	660	222,398	67	do.....	52.98
Utah.....	147	55	7,985	78 v		66.51
Vermont.....	133	43	5,740	75 v	Nursing home care only.....	57.67
Virgin Islands.....	292		554	v	Drugs only.....	23.53
Virginia.....	57	259	14,858	v	Nursing home care only; added hospital care, July 1960.....	43.56
Washington.....	200	259	50,006	275 v	Case maximum (administrative).....	83.56
West Virginia.....	120	167	19,904	60 v	Administrative.....	36.97
Wisconsin.....	96	383	36,026	75 v		79.50
Wyoming.....	139	25	3,359	85 v		70.79
Total, United States.....	156	15,047	2,387,468			66.63

¹ v—Vendor payments.

² Nursing home care only for maximum; remedial eye care vendor payment only.

Number of OAA recipients per 1,000 population aged 65 and over

STATE AND RECIPIENT-RATE GROUP

Less than 100:

New Jersey.....	38
Delaware.....	44
District of Columbia.....	47
Pennsylvania.....	47
Maryland.....	48
Hawaii.....	50
New York.....	55
Virginia.....	57
Connecticut.....	67
Indiana.....	70
New Hampshire.....	79
Illinois.....	83
Rhode Island.....	83
Wisconsin.....	96

100 to 149:

Nebraska.....	100
Oregon.....	104
Ohio.....	106
Michigan.....	108
Iowa.....	111
Montana.....	112
Maine.....	115
West Virginia.....	120
Kansas.....	129
Idaho.....	131
South Dakota.....	132
Vermont.....	133
North Dakota.....	135
Wyoming.....	139
Minnesota.....	142
Utah.....	147

150 to 199:

Florida.....	151
Massachusetts.....	157
North Carolina.....	169
Arizona.....	176

200 to 299:

Tennessee.....	200
Washington.....	200
Nevada.....	201
Kentucky.....	205
Alaska.....	210
New Mexico.....	211
California.....	215
South Carolina.....	223
Missouri.....	256
Arkansas.....	290
Virgin Islands.....	292

300 to 399:

Texas.....	326
Colorado.....	330
Georgia.....	356
Puerto Rico.....	378
Oklahoma.....	384

400 or more:

Alabama.....	406
Mississippi.....	446
Louisiana.....	572

Source: Social Security Bulletin, Oct. 1959, p. 28, data as of June 1959.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. PROXMIRE. I commend the distinguished Senator from Michigan. He has taken the lead in the Senate in studying the problems of the aged. He has devoted endless hours and a tremendous amount of work to this study. I know, for example, that last spring, when most of us went home to mend our fences and campaign—and the senior Senator from Michigan has a tough campaign ahead of him—rather than to go home and campaign, he stayed here, held hearings, and deprived himself of an opportunity to make some political progress. This is one of many sacrifices he has made.

The Senator from Michigan has developed, in my opinion, as solid and firm an understanding of what is at issue in the

health insurance program for the aged as any Member of the Senate. I think his advice and position on this question deserve the particular attention of every Senator.

The Senator from Michigan has been the first and the most enthusiastic advocate of the social security approach to this problem. He deserves great credit for it. I am certain that more important to him than any credit he would receive is the prospect that we can succeed in winning this fight. The speech he has made and the documentation which he has placed in the RECORD will, I hope, be very carefully read by all Senators.

I congratulate the Senator from Michigan on the outstanding work he has done, not simply today, but during many long months.

Mr. McNAMARA. I thank the Senator from Wisconsin for his generous remarks. Certainly they are overflattering.

Mr. PROXMIRE. They are true.

Mr. McNAMARA. I have simply made a contribution to a cause about which I feel very strongly. I know that the Senator from Wisconsin also feels strongly about the same cause. I thank him for his courtesy.

Mr. ANDERSON. Mr. President, at the very outset of my remarks, I, too, wish to compliment the able Senator from Michigan [Mr. McNAMARA] for the excellent work he has done. He is in reality the leader of all of us in trying to provide assistance and care for the aged.

The amendment to H.R. 12580, which I have offered on behalf of myself, the Senator from Massachusetts [Mr. KENNEDY], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Illinois [Mr. DOUGLAS], the Senator from Tennessee [Mr. GORE], the Senator from Michigan [Mr. McNAMARA], the Senator from Minnesota [Mr. McCARTHY], the Senator from Indiana [Mr. HARTKE], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from California [Mr. ENGLE], extends the social security mechanism to provide health benefits for more than 9 million of our aged persons.

In offering this amendment, the text of which was printed in the CONGRESSIONAL RECORD of August 17, I also submitted a brief summary of the amendment, which also was printed in the RECORD. At this time, I should discuss in more detail the principal provisions of the amendment.

First, the amendment is offered as an addition to the bill reported by the Finance Committee. It is not a substitute for the Finance Committee bill or for any of its provisions. This amendment establishes a fully financed social insurance program on a contributory basis to cover the cost of certain types of health services for more than 9 million aged persons who are receiving OASDI benefits. This amendment plus the amendments reported by the Finance Committee would provide help to all of the aged—those who are under social security and those who are not.

PERSONS ELIGIBLE

Under this amendment all persons who have attained the age of 68 and who are entitled to receive old-age, survivors,

or disability insurance benefits under the existing social security program would be eligible to receive lifetime protection without any means or income test against the cost of certain types of health services. There are now about 9,185,000 persons who are 68 years old and over, and who are receiving social security benefits. I ask unanimous consent to have printed at this point in the RECORD, a table prepared by the Actuarial Branch of the Bureau of Old-Age and Survivors Insurance which gives a State-by-State breakdown of these 9,185,000 aged persons.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Old-age, survivors, and disability insurance—
Estimated number of persons aged 68 and over eligible for monthly OASDI benefits, by State, July 1, 1961

[In thousands]

State of residence: ¹	Number
Total ²	9,185
Alabama.....	120
Alaska.....	3
Arizona.....	45
Arkansas.....	93
California.....	736
Colorado.....	77
Connecticut.....	151
Delaware.....	21
District of Columbia.....	31
Florida.....	298
Georgia.....	125
Hawaii.....	16
Idaho.....	34
Illinois.....	554
Indiana.....	272
Iowa.....	181
Kansas.....	128
Kentucky.....	154
Louisiana.....	93
Maine.....	66
Maryland.....	119
Massachusetts.....	342
Michigan.....	398
Minnesota.....	193
Mississippi.....	85
Missouri.....	263
Montana.....	37
Nebraska.....	89
Nevada.....	9
New Hampshire.....	42
New Jersey.....	345
New Mexico.....	22
New York.....	1,004
North Carolina.....	166
North Dakota.....	32
Ohio.....	517
Oklahoma.....	109
Oregon.....	114
Pennsylvania.....	674
Puerto Rico.....	46
Rhode Island.....	58
South Carolina.....	72
South Dakota.....	39
Tennessee.....	149
Texas.....	332
Utah.....	33
Vermont.....	26
Virgin Islands.....	1
Virginia.....	151
Washington.....	163
West Virginia.....	99
Wisconsin.....	244
Wyoming.....	14

¹ Distribution by State estimated.

² Excludes persons residing outside the United States.

Source: Bureau of Old-Age and Survivors Insurance, Division of Program Analysis, Actuarial Branch, August 1960.

SCOPE OF BENEFITS

Mr. ANDERSON. Mr. President, the cost of four essential types of health benefits would, subject to certain limits, be provided. These are:

First. Hospital inpatient services: The cost of inpatient hospital services for up to 120 days in a year in excess of the first \$75 would be provided. This first \$75 would have to be paid by the individual in each benefit year.

Inhospital services which are covered would include bed and board in the hospital in semiprivate accommodations and those ancillary services, such as laboratory, drugs, supplies, and nursing services, as are generally furnished to inpatients in a hospital.

Second. Skilled nursing home services: Skilled nursing home recuperative care for up to 240 days in a benefit year would be covered. The definition of "skilled nursing home services" is, however, quite limited. It is restricted to those services which are furnished in a nursing facility, after the individual has been transferred to such facility from a hospital and a physician has certified that such nursing home care is required in connection with the condition for which he was hospitalized. This limited definition is essential in order to keep costs within proper limits and to assure that the program will not merely pay for custodial care of aged individuals.

Third. Home health services: Nursing and other home health services are provided in an individual's home for up to 360 visits within a benefit year. These services, which would include both professional nursing care, practical nursing care, and specified homemaker's services, would have to be provided through a public or nonprofit agency.

The Blue Cross has issued a booklet entitled "Cost of Hospital Care in Indiana, 1956," which reached my office this morning. It deals with problems which have arisen. I think it interesting that on page 35 of the booklet it is pointed out that "this impact of the cost of health care takes on added significance when one realizes that fewer than 40 percent of those over 65 are now covered by some form of hospitalization insurance."

In other words, this writer of group insurance points out that despite the best it can do, there still are some gaps in that program. A more recent study might reveal slightly different figures.

While I indicated that inpatient hospital services would be provided for up to 120 days, skilled nursing home recuperative care for up to 240 days, and home health services for up to 365 visits, there is an overall ceiling on those benefits. Under the amendment, only 180 units of services are available to any individual within a single year. A unit of service is equal to 1 day of inpatient hospital care, 2 days of skilled nursing home care or three home health visits. This provision is intended to control the amount of services furnished to any individual and to encourage the use of facilities less expensive than the hospital. For example, if an individual received 120 days of hospital care, he would have only 60 units of service remaining. Those

60 units would entitle him to only 120 days of skilled nursing home care, or 180 home health visits, or a combination of the two. For each day less than the 120 days he remained in the hospital, however, he would be entitled to 2 additional days in a nursing home or three additional visits by a home health agency.

Fourth. Outpatient diagnostic hospital services: Outpatient hospital diagnostic services, such as diagnostic X-ray and laboratory services, are covered by this amendment. The inclusion of the cost of these services will be a great benefit to all individuals in encouraging the early diagnosis of an illness.

Payment for these services furnished to eligible individuals will be made only if such services are furnished after a physician has certified in writing that such hospital, nursing home, home health, or outpatient diagnostic services are necessary. Continued recertification by the physician may be required by the Secretary of Health, Education, and Welfare after the individual has been in the hospital or other institutions or has been receiving the home health services for an extended period of time. The amendment also provides that in the case of an individual who is in the hospital for a continuous period in excess of 30 days, the need for continued hospitalization shall be reviewed by a hospital committee that includes two or more physicians.

COST AND FINANCING

The amendment I have offered is fully financed and is actuarially sound. There is included in the minority views of the Senate Finance Committee, correspondence between the actuary for the Social Security Administration and the Senator from Illinois [Mr. DOUGLAS] setting forth the actuarial estimates of the cost of these benefits. As indicated in that correspondence, the level premium or long-range cost of the program is estimated at .50 percent of taxable payrolls. The amendment provides that the full cost shall be met by increasing the contribution rates, beginning with the calendar year of 1961, as follows:

One-fourth percent for employers and employees, and three-eighths of 1 percent for the self-employed, on earnings up to \$4,800 a year.

Following the precedent established by this body by means of the program for disability insurance in 1956, my amendment provides that these additional contributions would be set apart in a separate trust fund, and that all payments for the health benefits provided by the amendment are to be made from that account.

ADMINISTRATION

The provisions of this amendment, like the social security program, are to be administered by the Secretary of Health, Education, and Welfare.

Agreements relating to the provision of services would be made with the provider of services or with its authorized representative. The Secretary is required to enter into an agreement with any qualified provider of service, such as a hospital or skilled nursing home. To be eligible to participate, a hospital or

nursing home would have to be operated in agreement with State and local laws, and would have to meet any standards established by State and local authorities. Under such agreements, payments would be made for the reasonable cost of the service provided to eligible individuals.

The amendment specifically provides that the Secretary shall not by reason of any provision thereof have supervision or control over the practice of medicine or the manner in which medical services are provided, or over the administration of any participating institutions.

The amendment also specifically provides that any individual who is eligible under the program shall have the free choice of any participating hospital, skilled nursing home, or home health agency.

The amendment provides for a Medical Insurance Benefits Advisory Council, representing the public and persons who are outstanding in the hospital and health activities field. The Secretary is to consult such representative advisory councils in determining policy and promulgating regulations.

Mr. President, the other day there was quite a celebration throughout the Nation, and particularly here in Washington, D.C., for the Social Security Act was 25 years old. According to the headline published in one Washington newspaper, the Social Security Act was hailed as a bulwark; and the picture published with the newspaper article was that of William L. Mitchell, Commissioner of the Social Security Administration. That is very interesting to some of us who have been interested in the social security program and the Social Security Act for a period of 25 years, because there was a time when persons on one side of the political aisle spoke in very disparaging terms of the whole social security program, just as I expect some of them to speak a little disparagingly of this approach to the problem of medical care for the aged.

But I have seen quite a change occur during these 25 years; and thus I was interested to observe that the Social Security Act, now 25 years old, was hailed as a bulwark of our economy by the present Commissioner of the Social Security Administration, Mr. Mitchell; and I was also interested to note in an article published in the New York Times on Sunday, August 14, and dealing with how this 25th year of the social security program was marked, that it was stated that "Roosevelt put his name on an act that has changed the pattern of American life."

Mr. President, as one who had the privilege of discussing with the then President Franklin D. Roosevelt his hopes, dreams, and aspirations for the social security program, I think I can say that virtually nothing in his entire administration gave him the satisfaction that he got from the realization that he had devised and developed, under his administration, a program of social security that was to remain a part of our American system.

Even though in the first few years of the program there were those who

suggested that the act should be repealed as quickly as possible and a return should be made to rugged individualism, yet, Mr. President, after the passage of the years, there is now not a person in our political life who suggests that those social security laws should be stricken from our statute books.

THE NECESSITY OF A SOCIAL INSURANCE APPROACH TO THE PROBLEM OF MEDICAL CARE FOR THE AGED

Mr. President, I have referred to the fact that only last week we celebrated the 25th anniversary of the signing of the Social Security Act. The significance of the major decision which the Congress made 25 years ago is pertinent to our discussions today. In 1935, we had already experienced 5 years of a deep depression, with millions of unemployed and older people, especially, facing stark destitution. We had struggled mightily with the problem, and had experimented with a number of approaches. We had given grants to the States, through relief. We had instituted vast work programs under CWA and PWA, and we had distributed enormous amounts of surplus foods. Cities, counties, and States had added to that effort.

Mr. President, I shall not repeat what I said a few days ago; but I administered a program under the FERA, under the SERA, under the CWA, under the WPA, and under the National Youth Administration. Therefore, when I speak of what the program was 25 years ago, I realize that I can bear personal testimony to the fact that after people had gone through that long series of relief programs, there was great rejoicing among social workers and among the recipients of social favor when announcement was made that there would be a social security program that took it out of the category of plain assistance, and put it on the better basis of actuarial insurance, in order that their needs might be cared for.

But the Council on Economic Security, which President Roosevelt appointed in 1934, aided by a group of citizens advisory councils, undertook the problem of the longrun and permanent solution to economic insecurity for all American citizens who depended on their earned income for a livelihood. The recommendation of this Council, which was adopted by Congress and embedded in the first Social Security Act, was that we should set up a system of contributory social insurance which would underwrite the risks of unemployment and loss of income, due to old age. Later the program was revised to include loss of income resulting from the death of the family breadwinner. That program was to be our first line of defense against poverty and economic insecurity, and those provisions were incorporated in title II of the Social Security Act, which to this day remains the heart of our whole social security system.

Recognizing, as President Roosevelt said when he signed this act, that we can never insure 100 percent of the people against 100 percent of their risks, a second line of defense was set up through a public assistance program, operated

through a system of grants to the States, which would match the funds raised by the States themselves for this purpose. Where the social security benefits are insufficient and where for any reason an individual is not covered by social insurance, his needs can be met through these various public assistance programs—old-age assistance, aid to the blind, aid to dependent children, or aid to the permanently disabled.

Through the past 25 years the wisdom of this basic decision to rely primarily on social insurance has been affirmed many times. For example, in 1948 and 1949, a special Citizens' Advisory Committee to the Senate Finance Committee was established under the late distinguished Senator Eugene Millikin, of Colorado. This committee was under the active chairmanship of the late Sumner Slichter, Lamont University professor, Harvard University, and included among the representatives of labor, management, and the public such distinguished individuals as Dr. J. Douglas Brown, dean of the faculty, Princeton University; Malcolm Bryan, of the Trust Co. of Georgia; Mr. M. Albert Linton, president, Provident Mutual Life Insurance Co.; and Marion B. Folsom, treasurer of Eastman Kodak Co., and later Secretary of the Department of Health, Education, and Welfare, and, in my opinion, one of the truly fine men who have ever served this Government.

In the unanimous report of this committee, there is the following statement:

The Council favors as the foundation of the social security system the method of contributory social insurance with benefits related to prior earnings and awarded without a needs test. . . . Under such a social insurance system, the individual earns a right to a benefit that is related to his contribution to production. . . .

Public assistance payments from general tax funds to persons who are found to be in need have serious limitations as a way of maintaining family income. Our goal is, so far as possible, to prevent dependency through social insurance and thus greatly reduce the need for assistance.

I call the Senate's attention to the fact that that recommendation does not come from some ultraliberal Member of the Senate or of the House of Representatives. The list which I have read, I hope, will be regarded as an impressive list, headed by the late Senator Eugene Millikin, a former chairman of the Senate Finance Committee, and one of the truly great brains ever to serve in the U.S. Senate. It includes the late, great economist, Sumner Slichter, whose views on economics were widely followed, and who told me one day, about a year or two ago, how he supplied several businessmen in other countries with a special letter on economic conditions in the United States, for which, he told me, they paid him extremely well, and thereby permitted him to join in all the folly he wished to in pursuing economic theories. The list also includes Marion B. Folsom, former treasurer of Eastman Kodak Co., and, as I said, one of the truly wonderful men ever to serve the country, and a man who, only a few days ago, spoke out on the subject, and a man who quite possibly has written to Members of the Sen-

ate expressing himself on this very subject, and I hope his comments and contributions may become public before the debate is concluded.

Incidentally, this same Council recommended, in 1949, that the social insurance system should be extended to cover permanent and total disability. However, the Congress at that time did not accept the advice of the Council, and added another category of public assistance for the permanently and totally disabled. This is a decision somewhat parallel to that which some are now recommending as a method to meet the problem of medical care for the aged. In only a few short years the inappropriateness of this approach became more evident, and in 1956 the Congress extended the social insurance program to cover permanent and total disability. And this program is now working with admirable success despite the dire warnings we received from the American Medical Association at that time that its adoption would mean socialized medicine in America.

If a person wanted to do so, he could call back many rich and rewarding memories, because, in a room just off the Chamber of the Senate, there was a luncheon held one day in 1956 with the members of the Finance Committee of the Senate, in which this question was carefully discussed. Only after a great deal of persuasion and discussion and giving and taking did we come out of there with a decision that we would pass the bill, and that the great and able Senator from Georgia, Mr. George, would put his name on it and permit it to come to the floor with his blessing and approval.

This decision has been reaffirmed by the groups of consultants to the Secretary of Health, Education, and Welfare in 1954 and by the Advisory Council on Social Security Financing in 1959.

My emphasis on the social insurance approach is not to decry the role of public assistance and the determination of need in each individual case that is necessary to the proper administration of any public assistance program. My point is that this must always be considered the second line of defense; and to place our chief reliance on this approach in a program to meet the needs of the people of America would be to reverse the decision so wisely made 25 years ago.

With specific reference to the bill reported by the Senate Finance Committee, H.R. 12850, the provisions of that bill for grants-in-aid to the States for meeting health needs of older people are good if taken as supplementary to a sound medical insurance system. Placing our first reliance on the medical insurance system, such as contemplated in the Anderson-Kennedy amendment, and then accepting the provisions of H.R. 12850 as supplementary to that insurance program is the only approach that is consistent with the wise decisions made by the founders of our social security system in 1935.

WHY A GOVERNMENT PROGRAM OF HEALTH INSURANCE IS NEEDED FOR OLDER PEOPLE

In the last several years a great deal of study has been given to the problem

of meeting the costs of health care for older people. Out of these studies has emerged almost universal agreement on a number of facts:

First. Insurance is the soundest method of meeting the costs of medical care for all people—young and old. The tremendous expansion of coverage that has taken place in the last 20 years attests the acceptance of that principle.

Second. Older people are more in need of insurance protection than the general population because (a) their incomes are sharply reduced at retirement age, and (b) their health needs increase on the average nearly threefold.

Third. Nongovernment insurance is not able to provide the protection for older people as well as it has for those in their working years. This is because all commercial insurance—and increasingly noncommercial such as Blue Cross and Blue Shield—must set their rates according to the degree of risk involved in insuring the group or individual covered under a given policy. With the low risk groups constantly getting the more favored rates, the high risk groups, notably the aged, are left with the choice between rates so high they cannot be paid for out of meager retirement incomes, or protection so poor that it is almost worthless.

This fact is attested by the extreme reluctance of the commercial insurance industry to reveal what actual progress has been made in extending health insurance among older people. There has been a real effort to sell such insurance, and there has been no shortage of estimates by representatives of the industry as to how well the job will be done and the proportion of the older population that will be covered by 1970 or 1980. But there are no meaningful reports on how well it is being done now. This is because there are built-in factors in competitive nongovernment insurance which make it impossible to meet the need.

Only a comprehensive, compulsory social insurance program can provide the mechanism which can spread the cost of sickness in old age over a long period of time and over the entire working population.

Any insurance system which is practical in this area must spread the costs in both these dimensions. Private insurance will never do it for the simple reason that by its nature it cannot do it. The social security mechanism is the only practical way of meeting the problem. This was all summarized in a few words from an editorial in *Business Week*, the issue of April 16, 1960:

The problem basically is that the aged are high-cost, high-risk, low-income customers. Their health needs can be met only by themselves when they are young or by other younger people who are still working. The only way to handle their health problem, therefore, is to spread the risks and costs widely. And that can best be done through the social security system to which employers and employees contribute regularly.

Mr. President, that fine article from *Business Week* magazine is entitled "A Challenge That Can't Be Ducked." The editor of this magazine, I believe, is Elliott Bell, who was, I think, the financial

adviser to former Governor Dewey. I have quoted Elliott Bell many times in the Committee on Finance favorably and approvingly, and I am very happy to quote his remarks again and to say that this man by no stretch of the imagination could be called a person influenced by the more liberal elements of the Democratic Party. He has taken care of the problem for us in his statement in a most acceptable fashion.

Mr. President, I ask unanimous consent that the entire article to which I have referred be printed in the *RECORD* at this point.

There being no objection, the article was ordered to be printed in the *RECORD*, as follows:

A CHALLENGE THAT CAN'T BE DUCKED

Health insurance for the aged is fast becoming the No. 1 issue facing Congress this year. And there's political dynamite in it: Any candidate suspected by the millions of old people (and those concerned about their health problems) of taking a cold or knowing attitude toward the issue is likely to be in serious trouble this election year.

One thing about the issue is clear: Although plenty of politicians may see it as a vote-catching device, there is nothing synthetic or phony about the problem. Everyone who has seriously studied the situation has concluded that the provision of better health care for the aged is a serious—and growing—problem. Thanks to medical progress, the number of aged is increasing rapidly. In 1930, there were 6 million people over 65 in the United States; today there are 16 million.

For far too many of these, long life has meant shrunken incomes, increased sickness, loneliness, and the shame of being a candidate for a handout from society. Health, Education, and Welfare Secretary Flemming, in his thorough report to the House Ways and Means Committee last year, concluded that three out of every four aged persons would be able to prove need in relation to hospital costs. That is to say, they would be able to prove that they simply could not afford to pay for the care they needed when taken seriously ill.

The issue, then, is not whether there is a problem but rather how to meet the problem.

TWO APPROACHES

Representative AIME FORAND, Democrat, of Rhode Island, has proposed to deal with it through a system of compulsory Federal insurance within the framework of the Social Security Act. The Forand bill would provide insurance covering 60 days of hospital care, or 120 days of combined hospital and nursing home care, together with surgical services, to all those eligible for old age insurance benefits. It would be financed, initially, by boosting social security payroll taxes one-half percent—divided equally between employees and employers.

The Forand bill has been attacked for a number of reasons by various groups, especially the American Medical Association, which sees it as the camel's nose of socialized medicine coming under the tent.

But the main weakness of the Forand bill, as specialists in the health field see it, is not that it does too much but too little. They condemn it as too narrow and as an encouragement to "hospitalitis"—the tendency, inherent in many of our present voluntary insurance programs, to put the sick into hospitals because there are no provisions for covering treatment at home or in doctors' offices.

The bill sponsored by Senator JAVITS, Republican, of New York, strikes at this weakness. As JAVITS points out, though hospitalization costs comprise a large part of an

aged person's annual medical bill, the average older couple spends \$140 a year on health costs unrelated to hospitalization. "One out of every six persons 65 years and older," says JAVITS, "pays over \$500 in medical bills annually." Yet 60 percent of the old people have annual incomes under \$1,000 and can't afford home or office care that might cut down the length of hospitalization or eliminate it altogether.

JAVITS would deal with the problem by a voluntary program that would combine Federal and State subsidies, contributions scaled to income by the aged themselves, and both commercial and nonprofit insurance companies such as Blue Cross and Blue Shield. The program would not become operative in any State until the State put up the money, arranged with the insurance carriers, and agreed to certain standards for the program.

Although the Javits bill makes a hard effort to provide a voluntary (and heavily subsidized) program, it does not appear to meet the test of practicality. The program would take a very long time to negotiate with 50 individual State governments and with insurance carriers—assuming that it would be possible at all to get them involved in a program whose costs are unpredictable.

Indeed, after studying Flemming's able report, and the arguments on all sides of this issue, we are forced to conclude that the voluntary approach simply will not do the job.

The problem basically is that the aged are high-cost, high-risk, low-income customers. Their health needs can be met only by themselves when they are young or by other younger people who are still working. The only way to handle their health problem, therefore, is to spread the risks and costs widely. And that can best be done through the social security system to which employers and employees contribute regularly. By comparison with the heavily subsidized schemes, this approach has the advantage of keeping old people from feeling that they are beggars living off society's handouts.

We do not pretend to know all the answers to the problem of enlarging the social security system to include a health insurance program for the aged. Even a modest study of the problem immediately convinces anyone of its difficulty and complexity. At this point, we don't think that the complete answer to it has emerged.

Nevertheless, no democratic government can refuse to grapple with a problem of such demonstrated urgency and importance. The issue cannot be evaded and, before it becomes a political football, the politicians of both parties should accept responsibility for finding the best possible answer in the shortest possible time.

THE QUESTION OF COMPULSION

Mr. ANDERSON. Next I come to the question of compulsion. We heard a little bit about that the other day. The question is asked, "Why do you compel these people to belong if they do not wish to belong? Why do you compel them to come under the program if they are under the social security system?"

I have not hesitated to refer to compulsory social insurance, though I am aware that in the battle of semantics which has raged around our proposals this term is considered a devastating weapon.

Nowhere has this issue been defined more clearly than in a column by Walter Lippmann which appeared in the *Washington Post* and *Times Herald* on June 16.

Mr. Lippmann, whose articles I am sure we all read, says:

Shall it [the medical care program] be financed by compulsory insurance, which

means that throughout a person's working life he and his employer will be taxed to provide an insurance fund for his medical needs when he is retired and is no longer earning an income? * * *

Or shall the program be financed, as the administration proposes, by charitable doles to the very poor, paid for out of compulsory taxes collected by the National and State Governments?

Why does the President feel so strongly opposed to the principle of compulsory insurance for medical care to supplement the insurance, which already exists, for old age? What is wrong about its being compulsory that a man should insure himself against the needs of his old age? What is so wonderful about a voluntary system under which a man who doesn't save for his old age has to have his doctors and his hospital bills paid for by his children or public welfare funds? There is nothing un-American in the principle that the imprudent shall be compelled to save so that they do not become a burden to their families and the local charities, so that they can meet the needs of their old age with self-respect which comes from being entitled to the benefits because they have paid the cost out of their own earnings.

Mr. President, I ask unanimous consent that the entire article written by Mr. Walter Lippmann entitled "Medical Care for the Aged," published in the Washington Post and Times Herald of June 16, 1960, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEDICAL CARE FOR THE AGED

(By Walter Lippmann)

Almost everyone realizes that a great mass of the old people do not have the savings, and cannot depend upon their children, to pay for the doctors, hospitals, nursing homes, and drugs which, because they are aging, they need more than do younger people.

There are a few eccentrics, professing to be conservatives, who think that in a truly rugged individualism these ailing old people would do without medical care if they can't pay for it, or would make their children mortgage the future to pay the medical bills.

But the country is not that ruggedly obtuse to the facts of life, and accordingly both the administration and the Democratic opposition are agreed that the need, which is obvious and urgent, must be met by Government measures.

Thus, this administration has prepared a program which the Director of the Budget, Mr. Stans, says will cost \$1.5 billion by 1964 and \$2.5 billion by 1970. For the Democrats, Senator McNAMARA and some 19 Senators, including KENNEDY, SYMINGTON, and HUMPHREY, have introduced a bill that would add medical insurance to the existing old-age insurance. After the first year, the cost of this program would be \$1.5 billion. Thus the two programs are approximately of the same size.

But between the two programs there is a basic issue of principle. On one side are the President and his advisers. On the other side are the preponderant mass of the Democrats and also a considerable minority of the Republicans led by Governor Rockefeller. They differ essentially on how the program shall be financed.

Shall it be financed by compulsory insurance, which means that throughout a person's working life he and his employer will be taxed to provide an insurance fund for his medical needs when he is retired and is no longer earning an income? This is the principle of the McNamara bill in the Senate,

as it was of the Forand bill in the House, and it has the support of the leading Democrats and of Governor Rockefeller.

Or shall the program be financed, as the administration proposes, by charitable doles to the very poor, paid for out of compulsory taxes collected by the National and the State Governments?

For reasons which he has never explained, the President regards compulsory social security taxes as unsound, socialistic, and rather un-American; on the other hand he regards compulsory taxes to pay for doles based on a means test as somehow more voluntary, sounder, more worthy of a free society and more American.

Under the McNamara bill, medical insurance would be added to the existing old-age insurance system. During his working life, each person covered by the social security system would contribute an additional amount, as would also his employer, to supplement his retirement income to include medical services.

It is true that during the first few years benefits would be received by persons who had not contributed because the system did not exist when they were earning their living. These benefits would be paid for by the younger people. But as the younger people would be buying their own insurance, there is little inequity in this. Nobody will lose anything, although those who are already too old to have been contributors to an insurance plan will benefit. In a few years everyone receiving the benefits will have paid his share.

Why does the President feel so strongly opposed to the principle of compulsory insurance for medical care to supplement the insurance, which already exists, for old age? What is wrong about its being compulsory that a man should insure himself against the needs of his old age? What is so wonderful about a voluntary system under which a man who doesn't save for his old age has to have his doctors and his hospital bills paid for by his children or public welfare funds? There is nothing un-American in the principle that the imprudent shall be compelled to save so that they do not become a burden to their families and the local charities, so that they can meet the needs of their old age with the self-respect which comes from being entitled to the benefits because they have paid the cost out of their own earnings.

The President has been led to think, he says, that compulsory insurance is "a very definite step in socialized medicine." Why? In a system of compulsory insurance the Department of Health, Education, and Welfare, which would administer the program, could and should use as its agents private organizations like the National Blue Cross Association in negotiating with hospitals and nursing homes and in dealing with claims and complaints. The system would be financed as insurance. But it would be worked not by a new Government agency but by the kind of private voluntary association which the President otherwise believes in.

In this connection it is interesting to remember that in the early 1930's when voluntary health insurance plans were inaugurated, our old friend, the American Medical Association, was declaring that they were communism and socialism and socialized medicine. Today, the American Medical Association is pointing to these same voluntary insurance plans as the solution of our present needs and the proper alternative to compulsory old age medical care insurance.

Among the opponents of medical insurance there seems to be a vague and uncomfortable feeling that it is a newfangled theory, alien to the American way of life and imported, presumably, from Soviet Russia.

The Founding Fathers were not subject to such theoretical hobgoblins. In 1798 Congress set up the first medical insurance scheme under the U.S. Marine Hospital Service. The scheme was financed by deducting from seamen's wages contributions to pay for their hospital expenses.

If that was socialized medicine, the generation of the Founding Fathers was blandly unaware of it.

Mr. PROXMIER. Mr. President, will the Senator yield at that point?

Mr. ANDERSON. I am happy to yield to the Senator.

Mr. PROXMIER. Mr. President, it seems to me the Senator from New Mexico is discussing the heart and soul of the difference between his social security proposal and some of the other type proposals in regard to health insurance. I think the philosophical difference is extremely important. It is a difference raised by as fine a liberal Senator as the distinguished senior Senator from New York [Mr. JAVITS] this morning, who disagrees with the Senator from New Mexico. The Senator from New York [Mr. JAVITS], and other Senators feel that the compulsion in social security is somehow, though not un-American, something which clashes with present American attitudes. That is the feeling of some toward compulsion, in using the social security approach for health insurance.

I wish to ask the Senator from New Mexico if this fundamental issue was not only settled 25 years ago but also has won an overwhelming, if not virtually unanimous, approval by all the American people? People are now compelled, whether they like it or not, if they work for a living, to save their money and to contribute into the social security system so that they can receive pensions after they retire. That was the fundamental philosophical decision which was made then; is that not correct?

Mr. ANDERSON. Yes I think it was.

I came to this city in 1936, when some of the final questions were being settled as to social insurance. At that time there were experts to whom we appealed, but they were not the members of the staff who have helped us recently, who have advised us in a very fine fashion.

Mr. President, I wish to pay tribute at this time to Mr. Robert Myers for the wonderful information he gave to us and for the speed with which he furnished it to us.

That was not the situation 25 years ago, Mr. President. Some of the experts we had available to us in those discussions could not even speak the English language. They were brought from Germany, where there had been social insurance. We had to import people from other countries, because we had no American experience on which to base our decisions. Because we had no experience, people almost without number stood up to say, "This is un-American." They started by saying, "This is socialistic. This is communistic. This is un-American. It is horrible to compel a man who wants to 'fritter away' his money to save a little—to force him to save some so that he will have something in his old age. It is awful to insist

that a man has to put away a few dollars so that a child who is born blind in his family can get help, or so that a child who is born blind in the family of his neighbor can get help, because we are still our brothers' keepers. It is an awful thing."

But, somehow or other, the program was started. Before long it was not possible to find on the floor of the House or of the Senate people who would get up to say, "It is wrong to have compulsory saving for old age."

I believe there are Members of the U.S. Senate who actually contribute to the retirement fund. Why do they do so? It is because it has been proved to be a desirable and wise thing to do. It is not compulsory in the Congress, but there is compulsion in industry.

We have completely forgotten that it was considered to be so terrible for a man to be compelled to save money for his old age, to be compelled to save money for blindness or for aid to dependent children.

Within the last few years, since 1956, we have found it is not so terrible to be compelled to save for disability. That was once considered to be a terrible thing. That opened the door to the whole field of socialized medicine.

While I have had many appeals from doctors concerning the bill before the Senate, I do not think the number came close to the appeals which came to me from doctors about the disability provisions. That was real sure-enough poison in the wheels of our social service. Somehow, the program was established. Now not a single doctor is telling me how terrible it is that people who become crippled and disabled have a chance to eat with some regularity. I thank God that those doctors who have watched the program are kind enough to admit that it has not harmed us. I think they will say the same about this program.

I agree with the Senator from Wisconsin. I think the principle was settled 25 years ago, as to the question of whether compulsion is or is not desirable, by making provision for old-age assistance, for aid to the blind, for aid to dependent children, for retirement pay of all kinds, and for disability. Now, perhaps, we shall make provision for health.

Mr. PROXMIRE. There are those who oppose the position of the Senator from New Mexico, of which position I approve. I approve of the amendment of the Senator from New Mexico, and I expect to vote for it enthusiastically. Those who oppose it say they are in favor of assistance for the aged who are in ill health.

They say they would prefer to pay for the plan by a broad national tax on everybody through the taxing of income, rather than confining it to the social security system, which is a relatively and comparatively regressive tax. It seems in doing so what they fail to recognize is that what the social security does is to provide an opportunity for everyone to make his own contribution to his own retirement and to his own health so that he has a right—nobody is giving it to

him—he has earned a right to receive health insurance in his old age.

Is it not true that if we rely on the kind of proposal made by those who oppose this approach—in other words, a broad national tax—that what will happen is that we shall wait a long, long time before there is anything like the kind of comprehensive, full and adequate health insurance program for all the American aged who need it?

I should like to complete the question by asking also how long we would have to wait for an adequate pension system if instead of having a social security tax, we had relied on general revenues to provide the kind of social security pension which our people are receiving today and blessing?

Mr. ANDERSON. I think that those who argue for dipping into the Federal Treasury to take care of payments under the proposal should be consistent and go down one road or the other all the way. If they believe that the approach of applying a payroll tax on a pay-as-you-go basis for health for the aged is wrong, then they should also seek to remove all the rest of the social security taxes and be absolutely consistent. They should seek to make all such payments from the Federal Treasury.

They know, of course, that they will not get the kind of money from the Federal Treasury that would be needed. If they came in and asked for billions of dollars that would be required from the Federal Treasury, we would unbalance the budget, and we would have to face large deficits year after year. We would, therefore, either defeat the program by having Congress repeal it or by the amount of pressure we would get to make social security payments. So they will not go that route at all. They will not take a step down that disastrous path. They simply say that rather than have this procedure adopted, we will take a little of this other system.

I say to the Senator from Wisconsin that we tried that with disability. We limped along for a few years unable to face up to it, and then in 1956 we did face up to it.

I wish that those who sponsored that legislation would take the same attitude on the pending legislation. They are exactly comparable. It would be very nice if we had it that way.

If the Senator does not mind, I would like to deal with this precedent of extending new benefits under OASI to persons already retired. One of the big arguments that will be made, and one of the arguments that was made in the committee, was that through a payroll tax and paying immediate benefits we would give some health protection to people who had not paid anything for it, those who are already retired and who are 68 years of age or over. They will get some money and they will not pay anything for it.

If the proponents of the plan wished to be consistent, why did they not follow that policy with reference to disability? It is an interesting question, and we wonder why they did not.

PRECEDENTS FOR EXTENDING NEW BENEFITS UNDER OASI TO PERSONS ALREADY RETIRED

The Anderson-Kennedy amendment, in providing the new medical insurance benefits to persons who have already retired, is following the precedent always followed by the Congress in liberalizing old-age, survivors, and disability insurance. New or improved benefits have always been extended without additional contributions on their part to persons who had already retired or lost their husbands or become disabled. And the estimated cost resulting from this policy has each time been included in cost estimates and has been met by higher contribution rates for those still at work.

First. Three examples exist in connection with disability benefits: (a) The new disability benefits enacted in 1956 were made available to 300,000 persons already disabled. Contribution rates were increased by one-fourth percent each for employers and employees, and placed in a separate disability fund, as the Anderson-Kennedy bill proposes; (b) in 1958, their dependents became eligible, and so did certain other disabled workers; (c) the present Finance Committee bill, like the House bill, extends disability benefits to persons under 50 and their dependents even though the disability occurred before 1956.

It is satisfactory to do it that way for disability. It is all wrong to do it in some other way if a physician writes a letter and says, "I do not like it. I think that is socialized medicine."

Second. Increases in monthly cash benefits were made available to millions of beneficiaries each time benefits were improved for persons currently employed. The following table shows the number of beneficiaries who, without further contributions, immediately received the advantage of cash benefit increases through the amendments enacted in the years shown—based on number of monthly benefits in current-payment status at end of year, Social Security Bulletin, Annual Statistical Supplement, 1958, page 13:

	Million
1950.....	3.4
1952.....	5.0
1954.....	6.9
1958.....	12.4

Yes, we will add 9 million people who are eligible for benefits under this program. We put in 12.4 million in 1958. That was financially sound. That was fiscal responsibility. But if we propose a payroll tax now, that does not dip into the Federal Treasury, that is a very bad socialistic scheme.

As a result of the 1950 amendments, the average benefit for retired workers rose from \$26.36 in August to \$46.62 in September 1950, an increase of 77 percent, or nearly \$140 a year.

In 1958, the average for workers already retired was estimated by the Senate Finance Committee to be \$4.75 a month, or \$57 a year. This is about three-fourths the cost of the proposed medical insurance benefits.

The effects of the cash benefit increases is illustrated by the case of a worker who retired in 1940 with the

average benefit for that year of \$22.60 a month. By now his benefit has become \$55. His wife or widow has received proportionate increases. Allowing for changes in prices, his benefit check had increased in purchasing power about 17 percent by December 1959—Social Security Administration, Research and Statistics Note No. 8, March 8, 1960.

Unlike commercial insurance, social insurance is directed to meeting social goals related to the general welfare. The old-age, survivors, and disability program does not make benefits directly proportionate to earnings and contributions. It has always been more liberal to low-income groups in regard to the proportion of lost earnings that are replaced. It has also had liberal eligibility requirements for newly covered groups. The trust fund, and the contributions to it, have met resultant costs.

A while ago I asked to have printed in the RECORD some editorials from Business Week and the Washington Post. I ask unanimous consent at this time that there be printed in the RECORD at this point of my remarks an article from the New York Times entitled "Wider Use for Social Security" under date of June 13, 1960.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WIDER USE FOR SOCIAL SECURITY

A convincing case for using the Federal social security system to finance health insurance for older people has been made by Nationwide Insurance. It is persuasive not only because of the arguments used but also because of its source.

Nationwide has had a unique experience in giving the public protection. Founded by a small group of Ohio farmers in 1926 as a cooperative automobile insurance concern with a capital of \$10,000, it has become one of the largest insurance operations in the country. With assets of more than \$350 million it gives many kinds of coverage in 20 States through more than 3 million outstanding policies.

The directors of Nationwide have stated in a formal resolution that the health costs of older people are not being met by insurance, that those over 65 haven't either the income or the assets to cover those expenses, that Nationwide favors the use of the social security principle to help meet their needs and, more specifically, that it will support "appropriate legislation" to provide basic health insurance to those eligible for Federal social security benefits.

A memorandum ably summarizes the statistical and historical evidence for the stand Nationwide has taken. It emphasizes a point which seems to be generally overlooked in the current discussions. It claims that, far from damaging the interest of private insurance companies, the companies "would have a broader, sounder market for voluntary insurance among our older people by building on the basic provisions of social insurance legislation."

The Nationwide memorandum also points out that before the establishment of the social security system in 1935 the medical societies and many insurance companies opposed the program for most of the same reasons they now oppose the social insurance approach to health care for the aged. But the three decades of experience since then have shown that the minimum social security pensions "have made possible a wide-

spread development of private plans in recent years." We hope that the interests now opposing this extension of the social security system will prove to be as wrong as they were in 1935.

Mr. ANDERSON. Mr. President, I ask unanimous consent that an article from the New York Times of Tuesday, May 10, 1960, entitled "Health Aid for the Elderly," be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HEALTH AID FOR THE ELDERLY

The administration's program of health insurance for those over 65 has laid the main issues right on the line. They are: first, the use of the Federal social security mechanism versus State administration with Federal subsidies and, second, compulsion versus freedom of choice.

Under the administration plan the various States would be authorized to provide financial aid to elderly people in meeting the costs of hospital and medical care, either directly or through private agencies. The Federal Government would share the costs of the whole operation with the States. Participation by individuals would be voluntary, but limited to those whose incomes were less than \$2,500 in the previous year (couple \$3,800). On the other hand, the widely supported Forand bill provides that the entire operation be carried on by the Federal Government as part of the well-established old-age and survivors insurance system, with eligibility for all those eligible for regular OASI benefits.

We believe that the arguments for using social security are overwhelming. Governor Rockefeller has done well to say that the administration plan could result in "a very serious fiscal situation, very high costs and cumbersome administration" and to urge that medical care for the aged be an added health feature of the social security system, with those who benefit contributing to their own protection.

The relatively high expense, per person covered, of the administration plan has two chief causes. First is the fantastic cost of setting up and operating new machinery of administration in possibly as many as 50 different States, and second, the expense involved in checking on the incomes of millions of beneficiaries to prove eligibility—both at the start and, as incomes change, in the future too. And the complexity and diffusion of administration and control would be little short of bewildering.

As for the issue of compulsion, it vanishes with just a little thought. The only compulsion involved in the Forand plan would be that of paying slightly increased social security taxes. Beneficiaries would have a wide choice of hospitals approved by the Government as part of the program. (Under those circumstances who wouldn't want to accept the benefits?)

As a matter of fact, the administration bill involves the same, but a less obvious, kind of compulsion. Taxpayers as a whole—including those not given protection—would be compelled to cover the costs of State and Federal subsidies. The bogey of "socialism" in social security health protection is also easy to dispel. Under the Forand bill neither hospitals nor surgeons taking care of beneficiaries would be under Government control.

There are many positive advantages in using social security. For example, it would avoid what amounts to a means test for eligibility—something abhorrent to Americans—and would automatically relate payments to ability to pay without investigation.

Also, it would take effect nationally at once, while State cooperation might be far from unanimous and also slow in coming.

The administration bill, however, offers substantially more benefits than does the Forand measure. But, except for persons on relief, they couldn't be had until the subscribers themselves had paid \$250 (couple \$400) for health care, in addition to their \$24 enrollment fee. And, after that, they would have to pay 20 percent of all their subsequent expenses. The alternative of purchasing health insurance from private agencies, even with a 50-50 assist from the governments up to \$60, would also be expensive. It looks as if the voluntary plan would be used most by those who need it least.

A satisfactory measure would have to be less costly than the administration plan—but provide more protection than does the Forand bill—if possible financially. And the Forand measure doesn't cover the 4 million or so people over 65 who are not getting social security. It is unfortunate that so little time remains in the present session of Congress to hammer out a plan that will meet the need and the phenomenal public demand. If that can't be done, this matter should surely be made a must for the next Congress when it meets.

Mr. ANDERSON. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point in my remarks an article from Life magazine under date of April 25, 1960, entitled "Age, Health, and Politics"; and an editorial from the Washington Post of February 20, 1960.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From Life, Apr. 25, 1960]

AGE, HEALTH, AND POLITICS

The hottest political potato so far in this election year is this question: Are Americans over 65 entitled to Federal help to meet their hospital and doctor bills?

The Forand bill, which would raise \$1 billion for such care by a one-half of 1 percent boost in the social security tax, has produced floods of favorable mail and given the Democrats an unexpected issue. Republicans, while granting the need for aid, are trying to find a more private, voluntary alternative. Since the issue is important, let's try to separate its social realities from its politics and facts from principles.

Unquestionably, many older Americans (15.8 million are over 65) are in real need. The average \$72 a month they draw from social security scarcely provides food and shelter, much less for the medical expenses which increase with age. Few are in a position to meet the cost of chronic illness from which many suffer. Yet even to get charity care—itsself inadequate in quantity and often inferior in quality—they must suffer the indignity of a pauper's oath.

Can their need for medical aid be provided by private, voluntary Blue Cross-type plans? These are expanding, but can never meet the whole need. Premiums for the aged as a separate group are prohibitively high. The least burdensome method of insurance is for the whole society to spread the costs over the whole working life cycle. The cheapest and most logical way of doing this, whether by the Forand bill or a better one, is by extending the existing system of social security.

To provide this, aid need not be socialized medicine, as opponents claim, since payments could be made through private channels and patients select their own doctors and hospitals as before.

The first question of principle is whether this form of aid will undermine the private duty of providing for one's own old-age through old-fashioned virtues like foresight and thrift. Being a floor, not a ceiling, it need not do so. Individuals will still have plenty of incentive to save for the future, though less fear of it.

Another question of principle is whether it is the proper function of a free government to offer special help to its older citizens. That principle was accented when social security itself became effective in 1937. The presumption against any extension of Federal activity and expenditure, though Jeffersonian in origin, is now championed, though weakly, by the Republicans, who don't want to be tagged as enemies of the aged. But an extension of an established system like social security is not a violation of principle. But there is also an issue of cost.

Not even the Democrats can extend the welfare state without reference to the price tag. Enough spending bills were introduced in Congress last year to add \$50 to \$60 billion to our existing \$78.4 billion budget if passed. Priorities, therefore, have to be determined. Health aid to the aged can be provided, but it may mean fewer schools, highways or other needs which may also be urgent. A related question is whether aid to the aged can be done without renewed inflation. The aged, on small and fixed incomes, have been the chief sufferers from inflation, and this is a good reason for giving social security a high priority. By the same token, any aid program that feeds inflation would defeat its own purposes and fool its beneficiaries. So the costs of any plan adopted must be carefully limited and controlled.

Doubtless the Forand bill can be improved. Some \$200 million could be saved simply by raising the eligible age from 65 to 68. Moreover, many oldsters able and eager to work could better provide for their own security if the \$1,200 limitation were raised on the income they may earn without forfeiting social security pensions.

But in principle, such aid is proper public business. The issue is therefore inevitably and properly a political one. It should be decided according to the Nation's sense of justice, urgency, and choice of priorities in the use of scarce resources—as interpreted by the Nation's elected representatives in Congress.

[From the Washington Post, Feb. 20, 1960]
RETIREMENT NIGHTMARE

Everywhere in its travels around the country, Senator McNAMARA's Subcommittee on Problems of the Aged and Aging heard anxiety expressed by older citizens as to how they would pay for medical care in their retirement. How can anyone with foresight, old or young, fail to be anxious about this problem? While a man is employed, he can enjoy the protection of some sort of group or private insurance program to cover medical and hospital bills if he becomes ill. The chances are, however, that when he retires he will no longer enjoy such protection; yet this is the time, obviously, when he will need it most—when, indeed, he is certain to need it sooner or later, which is what makes the cost of such private insurance prohibitively high for the aged.

The McNamara subcommittee came to the conclusion that this problem should have top priority for legislative consideration in 1960 and recommended in its report an expansion of the system of old-age, survivors, and disability insurance to include health service benefits for all persons eligible for OASDI. We think this conclusion is inescapable. The essence of it is embodied

in the Forand bill which would cost about \$1 billion a year to be financed with one-fourth of 1 percent increase in social security taxes. Like other old age benefits, this would be paid for by a citizen throughout his wage-earning years, with a matching contribution by his employer. It would relieve retirement of one of the worst of its nightmares.

That the American Medical Association would offer its usual doctrinaire opposition to this proposal was as much to be expected as a bill from a doctor after a visit to his office. Senator McNAMARA has observed that the AMA had "nothing to offer but tired abuse." This is not, by the wildest flight of the most neurotic fancy, socialized medicine or political medicine. It is simply a system, if the AMA could but calm its nerves enough to realize it, which, like Blue Cross or Group Hospitalization or any other insurance program, would enable a patient to go to the doctor and the hospital of his choice and pay the bills resulting from the care he needs in old age. It would help doctors, hospitals, and medicine in general. And it would enable American men and women to retire in their old age with more security and self-respect.

Mr. ANDERSON. Mr. President, I have taken a great deal of time, and I intend to take some more. Some question has been raised about the medical care provisions of the committee bill. The medical care provisions of the bill approved by the committee are substantially better than those of the House bill. But the approach is nevertheless a public assistance approach. States would be permitted to be less severe in their tests of medical indigency than the tests they now impose for such payments, but the Federal program assumes some proof of poverty or a means test. The specific wording of the bill is:

An eligible individual means any individual (1) who is 65 years of age or over and (2) whose income and resources, taking into account his other living requirements, as determined by the State, are insufficient to meet the cost of his medical service.

This wording involves no substantial change from the present authority in title I, the old-age assistance provision. The important part of the Finance Committee addition to the bill is the liberalization of the matching grants formula. But additional money will not itself bring forth necessary State action. And the proposal will not overcome the inherent limitations of public assistance as compared with social insurance.

If social insurance is added to the committee bill, as my amendment proposes, the majority of aged persons will not have to turn to public assistance, but the minority who do will have better care. The Finance Committee bill is a useful supplement if the major burden is carried by social insurance. Then the minority who need aid on the basis of an income test can secure it more liberally. But without health benefits financed through OASDI, most States cannot be expected to provide sufficient funds to pay for adequate medical services either to present old-age recipients or to the proposed additional group of the medically indigent.

Any approach involving a means test and based on Federal grants to the States will not provide the kind of protection

which the majority of the aged want and deserve in this Nation today.

Because it does not provide assured payments as a matter of right, it fails to promote peace of mind or early preventive care.

Through reliance on a needs and income test, it fails to safeguard the savings, independence, and dignity of the individual.

It is of assistance only as dependency occurs instead of helping prevent it.

The Finance Committee has done well to integrate into title I all the proposed provisions for medical care through Federal-State matching grants on a means-test basis. This avoids the confusion and inefficiency that might have resulted from the House bill. It also removes any doubt that the increased payments for medical care would be administered by the State and local welfare agencies.

They would need thousands of new employees to do the job properly, but they already have great difficulty in securing adequate, well-trained staffs. Our elderly citizens do not want to have their income, other resources, and living requirements inquired into by overburdened employees of welfare agencies.

The task of making such a check would be especially difficult in the case of elderly persons who move from State to State.

The medical care program in the committee bill will not automatically become effective. The States must take positive action to provide additional funds. In many States, perhaps in the great majority, additional legislation will be required before a new type of medical cost can be paid for or before a new kind of test of poverty can be applied.

A few fortunate States may be able to give more liberal assistance to their elderly citizens on October 1, but many will have to wait until after their legislatures have taken action next year.

If they fail to act, then the elderly citizens will have gained nothing. My amendment makes hospital benefits available on July 1 of next year to 9 million aged persons without the need for action by 50 State legislatures and Governors.

The fact Federal money is made available does not necessarily result in State action. Under the present old-age assistance provisions, 23 States and the District of Columbia fail to take advantage of all the Federal funds that are offered to them for use for their aged citizens.

Experience through many years of effort indicates that in most if not all States, it is very difficult to secure passage of liberalizing amendments and necessary appropriations. Many States now have tests of need, of residence, of relatives' responsibility, and liens that are severe and that are the result of their own choice. More Federal funds will not change these policies in a manner satisfactory to our retired citizens who have striven throughout their long working lives to achieve independence and self-respect.

The 1958 amendments to the Social Security Act established an Advisory

Council on Public Assistance which, as requested by the Congress, has submitted a substantial report. That document contains recommendations relevant to the problem under consideration. It refers to "the serious gaps and inequities that still remain in coverage, in adequacy of public financial assistance and in availability of high quality services." Its comments on unmet medical need justify increased Federal grants for this purpose. But the Council also warns:

Improvements in medical care should not be accomplished by reducing money payments to recipients.

The Council report also points out:

Not many States provide assistance for comprehensive medical care. Some pay only for a single item.

Even in regard to cash payments, the Council found that "less than one-half the States fully meet need by their own standards for any of the federally aided categories." Total unmet need among aged recipients is estimated at \$222 million a year, not counting medical care.

If a progressive State is considering establishing an adequate program, the usual arguments will be made that higher taxes will drive business elsewhere and that high payments will attract dependent people. The same barriers to adequacy under a State-by-State approach will be encountered as in other social welfare programs.

Taxes will be as compulsory under the assistance programs as the contributions are for social insurance. The OASDI contributions are uniform throughout the country and are borne by persons during their working years.

It has been argued that Federal funds financed from general revenues are more progressive than the social insurance payroll tax. But 58 percent of State revenues are based on taxes, such as sales taxes, which fall very heavily on people with low incomes, including the aged. An increase in these taxes, such as would be necessary in practice, would cause additional numbers of aged persons to have to turn to public assistance.

The criticism of the payroll tax can readily be met by raising the wage-base ceiling above \$4,800 a year or even removing it entirely. The accompanying increase in maximum benefits would overcome the lag of benefits behind rising earnings.

The States are already having difficulty meeting the needs of expanding populations for education, recreation, roads, and many types of community facilities. They cannot easily provide the additional funds that would be required to take advantage of the new Federal matching grants unless my amendment is added.

Now I should like to speak briefly on the amendment itself.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. PROXMIRE. I should like to have the Senator yield at this point on the benefits, which I consider to be one of the strong points of the amendment. As I understand, it would to some extent

reduce the total cost of illness to all the American people, because the amendment provides for preventive care. Is that correct?

Mr. ANDERSON. Yes; indeed it does.

Mr. PROXMIRE. Much more so than the bill would without the Anderson amendment added to it.

Mr. ANDERSON. Yes; I believe so.

Mr. PROXMIRE. Is it not true that it is also designed to cut down the excessive use of hospitals, the indiscriminate use of hospitals, at a time when we have great difficulty in providing an adequate number of hospital beds?

Mr. ANDERSON. Yes. The amendment suggests that a person can get adequate home care. I think that is very important.

Mr. PROXMIRE. The individual would pay the first \$75. That would discourage malingering or chiseling by those who might abuse the system, by those who would simply loaf in the hospital. It would do so by charging the hospitalized for at least a part of the cost.

Mr. ANDERSON. That is correct.

Mr. PROXMIRE. In what way would the Senator's amendment relieve the financial burden on the States?

Mr. ANDERSON. The people who will take advantage of the social security provisions are not going to make claims under other parts of the act. I believe that is important. Two million people are on social security in New York State, and 22,000 are on social security in New Mexico. These are people who would not necessarily and probably would not ever come to the State to ask for any special form of assistance. However, if we provide that in order to get any help from the Federal Treasury they must be found to be medically indigent, then we must turn all the workers, case aids, and relief agencies to the task of examining into the question of whether these people are medically indigent. They may be medically indigent one month and not the next month.

Mr. PROXMIRE. The amendment of the Senator from New Mexico is a careful and prudent amendment. It would economize and eliminate chiseling and waste in the use of hospitalization; it would provide for preventive care, thereby reducing the total cost of illness to all Americans, and it would relieve to a significant extent the burden on the States.

Mr. ANDERSON. Yes.

Mr. George Meany, president of the AFL-CIO, has written to every Member of the Senate urging support for the Anderson-Kennedy amendment to provide health benefits for the aged as a part of the social security system.

I ask unanimous consent that Mr. Meany's letter be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

On behalf of over 13 million American workers and their families, I urge you to support the Anderson-Kennedy amendment which will be offered as an addition to the Finance Committee social security bill. In the matter of health care for the aged this

bill is limited to some slight improvements in the present public assistance program and the creation of a new "medically indigent" class. It would provide medical services only as a public charity and only on proof of poverty, and then only in States that agree to participate, and only if matching funds from the Federal Treasury are appropriated by the Congress.

The Anderson-Kennedy amendment would provide health benefits as a matter of earned right under the tried and tested social security system which requires no funds from the Federal Treasury or from the States. With this addition to the committee bill, we would be providing health care both for those in the social security system and for those who do not presently qualify. By adding such a social security provision, we would reduce the number of people who would have to look to public assistance for medical care, with its hateful means test.

This is one of the most vital issues ever to come before the U.S. Senate. We can take a small step forward, or we can take significant action and bring real security with dignity to the lives of our senior citizens.

We have just celebrated the first 25 years of social security in America. The most fitting tribute we can pay to the foresight of the Congress 25 years ago is to build now upon our sound system of social insurance. The Anderson-Kennedy amendment is the way to do it.

Mr. ANDERSON. Mr. President, a few days ago, Mr. James E. Stuart, president of the Blue Cross Association, wrote to me urging me to modify my amendment so as to permit the Secretary of the Department of Health, Education, and Welfare to employ private nonprofit organizations to pay hospitals for services rendered to beneficiaries under the act.

Dr. George Baehr, special medical consultant of the health insurance plan of Greater New York, and former president of the New York Academy of Medicine, wrote a letter to me in opposition to that suggestion. I ask unanimous consent that Dr. Baehr's letter may be placed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 4, 1960.

HON. CLINTON P. ANDERSON,
U.S. Senate, Washington, D.C.

DEAR SENATOR ANDERSON: In a letter dated August 2, 1960, Mr. James E. Stuart, president of the Blue Cross Association, urged you to modify your proposed amendment to H.R. 12580 so as to permit the Secretary of the Department of Health, Education, and Welfare to employ private nonprofit organizations to pay hospitals for services rendered to beneficiaries under this act.

I write in opposition to this suggestion—unless all of the Blue Cross plans throughout the country and their present sponsoring agency—the Blue Cross Association were to be united into a homogeneous, nationwide, nonprofit organization established under Federal charter comparable to that of the American National Red Cross.

The following are my reasons for opposing the recommendations of the Blue Cross Association:

1. Multiplicity of local Blue Cross plans which differ greatly from one another in operating costs, premium rates, and scope of benefit coverage.
2. Lack of control of the Blue Cross Association over the independent local Blue Cross plans.
3. Absence of control by Blue Cross plans over rising hospital costs.

4. Inability of Blue Cross plans to curb unnecessary utilization of hospital facilities and other hospital abuses.

5. Absence of any power of Blue Cross to regulate hospital standards and quality of hospital care.

Under the above circumstances, Blue Cross or any other private insurance company would only serve as an unnecessary middleman to receive and pay hospital bills for OASI and then submit claims to the Secretary of the Department of HEW for reimbursement. This would tend to increase administrative costs without compensating advantages. The middleman, acting as a fiduciary agent for the Government, would feel no obligation to exercise any restraint upon the claimant hospitals whose lay and medical representatives comprise the majority of the board of directors of the Blue Cross plans.

It is my opinion that the Government agency which pays bills on behalf of its beneficiaries directly is better able to enforce hospital standards and curb hospital abuses.

I would be pleased to be recorded as supporting your proposed amendment to H.R. 12580 in all its provisions.

Sincerely yours,

GEORGE BAEHR, M.D.,
Special Medical Consultant, Health
Insurance Plan of Greater New York.

FACT SHEET ON ANDERSON-KENNEDY
AMENDMENT

Mr. ANDERSON. Finally, I should like to read a fact sheet on the Anderson-Kennedy amendment:

1. Number of persons eligible for benefits, July 1, 1961, 9.2 million. This is three out of four of all persons aged 68 and over and nearly three out of five aged 65 and over.

2. Cost in first full year of operation: about \$80 per person, a total of \$700 million, or one-third of 1 percent of taxable payrolls.

3. The proposed contributions will exceed benefit payments by one-third of a billion dollars a year. The new medical insurance account is estimated to equal \$1 billion by the end of 1962 and \$2 billion in 1965.

4. The maximum contribution by any one wage earner will be \$12 a year or 23 cents a week. For persons with earnings below \$4,800, it will be less.

Mr. President, a great many organizations have written to me endorsing the amendment and making recommendations. I see no point in including a complete list of these organizations in the RECORD. Nevertheless they represent impressive testimony that these organizations realize that the social insurance principle is well established and proper in this case.

I hope the amendment will be supported on that basis.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. PROXMIRE. Would the Senator's amendment be added to the bill?

Mr. ANDERSON. Yes.

Mr. PROXMIRE. It would strike nothing from the bill. Is that correct?

Mr. ANDERSON. It would strike nothing at all. It accepts all there is in the bill. It says that the work of the Finance Committee is good, but this will make it useful, and it will place primary reliance on the insurance system, and will allow the other provisions in the bill, which cost about \$130 million, to become supplementary to it.

Mr. PROXMIRE. This is a point which has been puzzling a number of Senators, and I have received no reliable answer. The Forand bill, as I understand, provides for this kind of health insurance at the age of 65. The McNamara proposal, the Kennedy proposal, and the Humphrey proposal, all of which, I presume, at one time or other, were checked with the responsible officials in the Department of Health Education, and Welfare, provided for benefits at 65 not 68 and thereby covered millions more. At that time they were said to be actuarially sound with the same social security tax the Senator from New Mexico now proposes.

The amendment of the Senator from New Mexico—which I trust, because I rely completely on his word; I am sure it is always very good—as I understand, has been trimmed down because it is impossible to provide these kinds of benefits beginning at age 65 without having a much heavier payroll tax than one-half of 1 percent.

Was there some kind of revision on the part of the actuaries who created this tax and this change in the situation?

Mr. ANDERSON. No. I think the revision is on the part of the individuals who made the proposals. If we included all the items which were included in the Forand bill, we would include, not a fourth from the employer and a fourth from the employee, but I think we would have to include four-tenths from the employer and four-tenths from the employee; perhaps more than that.

Mr. PROXMIRE. It is my understanding that the original Forand bill provided one-fourth from the employee and one-fourth from the employer.

Mr. ANDERSON. But the cost estimate was revised when it was discovered not to be actuarially adequate.

Mr. PROXMIRE. It was my understanding that the McNamara bill also provided for one-fourth from the employer and one-fourth from the employee.

Mr. ANDERSON. The McNamara bill provides for service in a somewhat different fashion, but the rates are the same. There is nothing particularly wrong with the McNamara bill, the Humphrey bill, or any other bill. It was simply a decision which some of us reached that we would prefer to go a little shorter on the number of hospital days. We have used the exact figure which the administration itself used—120 hospital days. In my original proposal provision was made for 365 hospital days. I am persuaded that that figure is too high. Most of us accepted the revised figure, suggested by the Senator from Illinois [Mr. DOUGLAS], and came down to a figure which would be fully met by the levies we would produce. In other words, .43 percent will go for hospital care; .01 percent for nursing home; .05 percent for diagnostic outpatient hospital services.

Mr. PROXMIRE. It is my understanding that it was to be a more substantial, drastic change; that in view of the new actuarial figures, the Forand bill or the McNamara bill contains revised estimates of how much each pro-

posal would cost, from one-half of 1 percent to eight-tenths of 1 percent, the cost to be divided equally. In other words, the employer would have to pay four-tenths of 1 percent and the employee four-tenths of 1 percent, in order to make either program actuarially sound. But to have provided for that contribution would have meant such a drastic increase that it was decided to take the approach of the Senator from New Mexico.

Mr. ANDERSON. That is correct. It is necessary to decide whether we want to get all of heaven in the first year or try to find out if a certain principle should be used. Even though it does not cover everything that may be desirable now, it is probably better to wait and see what is most desirable.

Mr. PROXMIRE. Many Senators felt that people should be covered at the age of 65. It was felt that this coverage should be provided almost at once. We have great confidence in Mr. Myers. I have relied on him in the past. I know he is a very competent person, as are the other actuaries, but we felt that this is a completely new field. No one really knows about it. The same kind of assurance cannot be given as can be given with respect to social security benefits. We do not know how many people will be ill, especially under the preventive programs. We do not know what changes will take place in medical science.

So it is a kind of vague estimate. We wondered whether this was a firm, widely approved estimate, or if it was simply an estimate of one person, which may be overly conservative.

Mr. ANDERSON. No. It is a firm, widely approved estimate. The reason age 68 was used was that the average age of retirement is now 68. We thought that instead of fishing around for an age, say, age 75 or age 73, we should take the average age at which persons now actually retire. Since people will die anyway, we said we would start with age 68 and see how the plan worked.

Mr. PROXMIRE. I thank the Senator from New Mexico.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

What is the pleasure of the Senate? If no Senator wishes to address the Senate at this time, the Senate will proceed in accordance with the order previously entered.

Mr. GORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the

order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I understand that the distinguished Senator from Tennessee has a very brief statement to make. When he concludes his statement, we shall, under the order previously entered, go over until Monday, at 10 o'clock.

Mr. GORE. Mr. President, today the junior Senator from New Mexico [Mr. ANDERSON] delivered in the Senate an exceptionally able and forceful address on the subject of medical care and hospitalization for the elderly of today and tomorrow, with particular emphasis upon the problems of tomorrow. The problems of tomorrow loom in geometric proportions.

I trust that before a vote on this bill is reached, Senators will afford themselves an opportunity to read the able address delivered by the junior Senator from New Mexico.

I also call attention to the statement of the minority views, which have been printed in connection with the committee report, beginning on page 274. It will be found that those of us, members of the Finance Committee, who are proposing an amendment to the pending bill have stated at considerable length our views. It would be appreciated if the other Members of the Senate would do the minority members of the committee the honor of studying our views with respect to this particular piece of proposed legislation.

Mr. President, it is my purpose on Monday or Tuesday to address the Senate at greater—but, I hope, reasonable—length upon this subject.

However, today I wished to call attention, at this point in the RECORD, to the exceedingly forceful and able address delivered by the distinguished junior Senator from New Mexico [Mr. ANDERSON], and also to the minority views, which are printed in connection with the committee report.

Mr. PROXMIER. Mr. President, at this point will the Senator from Tennessee yield to me?

Mr. GORE. I yield.

Mr. PROXMIER. I wish to join the distinguished junior Senator from Tennessee in commending the Senator from New Mexico [Mr. ANDERSON] for the excellent quality of his presentation in favor of his amendment.

I think the Senator from New Mexico was absolutely correct when he anticipated that the heart of the opposition to the amendment is based upon some kind of a vague feeling that this is a radical, costly, expensive, new departure, that it is going to be wasteful and extravagant, and that it is the road to socialism.

The Senator from New Mexico quoted from Business Week in approving the approach now under consideration. The Senator from New Mexico pointed out that the most thoughtful and conservative people in American life who are also informed and expert on this matter approved this approach. The Senator

from New Mexico, above all, showed that this is an efficient, businesslike approach, an approach that will do the job, and will do it at modest cost.

About all, running through the presentation of the Senator from New Mexico, was the fact that the Anderson approach is the American way, because it permits the people who will benefit to pay for the system themselves—no handout, no charity, no all-powerful state, no Big Brother, but an individual contribution and an individual benefit, in exactly the way the social security system has proven itself in a full generation of 25 years.

I agree with the statement I have heard from several persons that it is perhaps the finest presentation anybody has made on a bill that has been before the Senate in a long, long time. I was delighted I had the privilege and opportunity to be on the floor of the Senate to hear it.

I thank the Senator from Tennessee for yielding to me.

ADJOURNMENT TO MONDAY NEXT AT 10 O'CLOCK A.M.

Mr. GORE. Mr. President, in accordance with the previous order, I move that the Senate adjourn until Monday next at 10 o'clock a.m.

The motion was agreed to; and, in accordance with the previous order (at 3 o'clock and 12 minutes p.m.) the Senate adjourned until Monday, August 22, 1960, at 10 o'clock a.m.

EXTENSIONS OF REMARKS

Need for Increasing Dairy Price Supports

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Saturday, August 20, 1960

Mr. WILEY. Mr. President, yesterday, the Senate—and wisely, I believe—passed S. 2917—to establish price supports for dairy products as follows: \$3.22 per hundredweight for manufacturing milk, and 59.6 cents per pound for butterfat.

I would sincerely hope that the House of Representatives now will take speedy action on the measure.

At this time I ask unanimous consent to have a statement—emphasizing the need for final action by Congress on the measure this session—printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

As the Congress well knows, the U.S. farmer—particularly the dairy farmer—now suffers from an imbalance between income and outgo.

According to reports, the dairy farmers have taken a cut of 7 percent in the average

price for all milk sold at wholesale, and 14 percent in the price received from manufacturing milk from the 1947-49 average.

Meanwhile, farm costs have skyrocketed upward. The Department of Agriculture, for example, reports that items used by the farmers have increased 13 percent, and family living items 19 percent, above the 1946-49 average.

As a more specific illustration of skyrocketing farm costs, I cite the following:

Motor vehicles, up 47 percent; farm machinery prices, up 58 percent; farm wage rates, up 50 percent; farm real estate taxes, up 94 percent; increases costs per acre on farm real estate debt have gone up 164 percent.

Now, I am well aware that the enactment of this legislation would not wholly cure this situation.

The establishment of a price support level for milk at \$3.22 per hundredweight, and for butterfat at 59.6 cents per pound, by no means provides a price level necessary to the farmer to meet these rising expenses of operation. However, it would be a modest step—in my humble judgment, too modest—toward establishing a higher floor—above the present \$3.06 per hundredweight for manufacturing milk—for prices under dairy products.

Personally, I would like to see the price support level raised substantially higher. If, however, even this modest proposal could be enacted, it would, in a small way, provide greater support for the dairy economy.

At this time, I want to stress that—while I am deeply interested in the dairy farm economy—this is not all that is at stake in this legislation.

Across the Nation, not only farms and farm-equipment producing industries, but also local drugstores, hardware stores, car dealers, truck and tractor sales and service establishments, and many other services in the community are dependent, in part, or wholly, upon farm buying power. Consequently, improvement in income would benefit not only the dairy farmer, but a substantial segment of the overall economy.

We recognize, too, that the consumer has a stake in such price determinations. In many cases, in my State of Wisconsin, however, I want to point out that milk sold at about 6 cents per quart on the farm is retailed within 24 hours at 24 cents. This great price spread serves to illustrate that the farmer (a) is receiving a disproportionately low share of the retail price for his product, and (b) that it is not the farmer who is responsible for the rising cost of living. Even though the rising living costs have slowed down in recent years—and this is an important objective—I do not believe the farmer should be the principal one to underwrite stability in prices, particularly when this may jeopardize the farm, and other segments of the economy.

I well recognize that the enactment of S. 2917 would by no means act as a panacea-type step to eliminate the cost-price squeeze, and to restore to the dairy farmer a proportionate share of our national income.

The measure, however, I believe, does represent a minimum step that can, and should, be taken at this time to assure a moderately improved price floor while we are attempting to find a more workable solution for the farm, and particularly the dairy situation.